

# **Swindon Borough Council**

Swindon Internal Audit Services

***Strictly Private and Confidential***

**FINAL**

## **Internal Audit Report – Deputyships**

***Officers Contributing to the Review:***

John Hughes    Director: Service Delivery (Housing and Social Care)

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***Time Planned:***    8 days

***Time Taken:***    10 days

***Auditor:***    Alex Povey

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## **1 Introduction**

- 1.1 The review was carried out as part of the Internal Audit planned work for the year 2008/09, in order to provide assurance to the Director for Housing and Social Care that the Deputyship system is robust and efficient.
- 1.2 The Mental Capacity Act 2005 empowers people to make decisions for themselves as far as is possible, and protects vulnerable people who have been assessed as not having the capacity to make a decision at a particular time in relation to their health, social care and/or personal affairs; decisions are then made for them and must be in their best interests. Where a person has been assessed as lacking capacity to make particular decisions for themselves, under the Mental Capacity Act 2005, the Court of Protection may appoint someone to manage the decision making of the individual, including the operation of their finances. These nominated bodies are known as Deputies.
- 1.3 The Local Authority is appointed as a Deputy only as a last resort. This will usually happen in circumstances where someone has been assessed as lacking capacity in relation to finances or personal welfare, but has no family or friends, for example, that have the ability or desire to take on their decision making responsibility. The designated Deputy within a Local Authority is usually the Head of Adult Services. In SBC, the appointed Deputy is Caroline Fowles, Group Director for Housing and Social Care. John Hughes (Director: Service Delivery (Housing and Social Care) acts as the appointed Deputy in her absence.
- 1.4 At the time the review (in March 2009), SBC are currently appointed deputies for 26 people within the Borough, for which they are responsible for managing their decision-making and finances.
- 1.5 The Mental Capacity Act has an accompanying Code of Practice that sets out how the Act should be used. The code states that if the Deputy is the Director of Adult Services they can delegate specific tasks, however they are still responsible for any actions or decisions taken and are accountable for any errors that are made. Within Swindon Borough Council, the administration of client accounts has been delegated to a Central Finance Team (here on in referred to as the Deputy Team). These are all Capita employees.
- 1.6 Upon appointment, the Deputy will receive a Court Order, from the Court of Protection, prescribing the level of decision making that the Deputy is legally allowed to undertake on behalf of the client. These will be under the heading of managing the client's affairs, i.e. their day-to-day financial decision making and account keeping, but may also include the authority to manage the property of the individual, including the authority to decide whether or not to dispose of the client's assets.

- 1.7 All payments and disposals are made at the request of the client's care worker in the best interests of the person who lacks capacity and following the Act's statutory principles. The role of the Deputy Team is to subjectively assess each request, and apply their knowledge of the client's financial records to decide on whether or not to make the payment. The Code of Practice should be considered when applying the Act and making decisions on behalf of another. This is not a statutory requirement but compliance or otherwise with the code may be considered in the event of a legal dispute over decision-making. The Act and Code require that all payments made be in the best interest of the client.
- 1.8 Under the Act, the Public Guardian (supported by the Office of the Public Guardian (OPG)) is responsible, among other things, for supervising Court-appointed deputies and ensuring that Deputies act in the best interest of the clients and within the directions of the Court. There are 3 levels of supervision that apply ranging from high to low. SBC receive the latter.
- 1.9 As part of their duties, each year the Office of the Public Guardian send a Court Visitor to formally review how the deputyship is being managed. They have rights of access to the records held by SBC and review them to ensure that they are complete and best value has been achieved. They also look to satisfy that SBC are acting within the responsibilities set out in the Court order.
- 1.10 The OPG have the powers to relinquish the Deputy's powers, if they are deemed to have been managed incorrectly or have not been conducting in the person's best interest.

## **2 Approach**

- 2.1 Managers determine the extent of internal control in their systems and are responsible for providing an environment that ensures that resources are properly applied, value for money is secured, fraud and other losses prevented, and the Council's Financial Regulations and contract Standing Orders are complied with.
- 2.2 Internal Audit, as a service to the Directorate and the Council as a whole, contributes to internal control by examining and evaluating its adequacy and effectiveness. The auditor's responsibility is to form an independent opinion, based on the audit work undertaken, on the reliability of the systems of internal control reviewed and report this to the Director of Adult Social Care and to other relevant Managers.
- 2.3 In accordance with best practice, a risk-based approach was adopted which involved the structured evaluation of the internal controls operated within the deputyship environment and the Council's statutory obligations as a legally appointed Deputy.
- 2.4 The appropriate managers and senior staff were consulted during the course of the review and testing of documentation and processing procedures took place within all departments.

### 3 Objectives and Conclusions

- 3.1 The key objectives of the review were agreed in advance with the Group Director for Housing and Social Care. The auditor's conclusions at the end of the review against each of these objectives are detailed below:

<u>Control objectives</u>	<u>Audit conclusion</u>
Statutory principles set out in The Mental Capacity Act 2005, The Data protection Act and other legislation are complied with.	<b>Control objective achieved.</b>
There are documented procedures supporting actions taken by Council Staff as appointed Deputies.	<p><b>Control objective not achieved.</b></p> <p>There are no documented procedures to support the actions taken by appointed Deputies for the administration of client monies from their accounts.</p> <p>In addition, there are no standardised forms to record client's assets during the initial stages of their appointment as deputies, or disposal of this property thereafter. Neither are there any standard forms used by the care workers to request money on behalf of their clients which, during testing, it was identified that information required, such as amount requested, was often omitted from their requests.</p>
Responsibilities of Council Officers are clearly set out and differentiate between the roles of staff on the Adult Social Care side and those staff providing support as appointed Deputies.	<p><b>Control objective not achieved.</b></p> <p>The responsibilities of Council Officers have not been clearly prescribed. For example, in a Service Level Agreement, and therefore the roles and responsibilities could be open to dispute in the future leading to inefficient and inadequate care for the clients.</p> <p>In addition, it could lead to Officers in the Deputy Team carrying out roles that should be undertaken by a qualified officer in Adult Social Care, or vice versa.</p>

<u>Control objectives</u>	<u>Audit conclusion</u>
<p>All disbursements are made in accordance with the Councils Financial Regulations and ensuring there is adequate segregation of duties.</p>	<p><b>Control objective substantially achieved.</b></p> <p>Sufficient excel accounting records are kept for each client, and where documentation was held, segregation of duties between the Care Worker and the Deputy Team could be demonstrated when paying money from client accounts.</p> <p>However, there were areas of non-compliance with Council Financial Regulations identified during audit testing, such as missing receipts and other supporting documentation.</p> <p>There were also some payments examined where it could not be sufficiently evidenced that the client received the goods/services paid out of their accounts.</p>
<p>Spending of client monies is only made in the interest of the client.</p>	<p><b>Control objective achieved.</b></p>
<p>Best value principles are applied in spending client monies and in the management and disposal of their assets.</p>	<p><b>Control objective not achieved.</b></p> <p>Best value could not be conclusively demonstrated in the spending of client monies and disposal of their assets.</p> <p>For payments examined during testing, supporting documentation, such as quotes, were not on file for payments where they would be expected.</p> <p>Furthermore, where a client's assets were to be disposed of, there was no evidence to demonstrate that attempts had been made to recover the full value of the items being disposed of.</p>

<u>Control objectives</u>	<u>Audit conclusion</u>
Proper accounting records are kept in respect of all clients, and these are subject to independent review by the Office of the Public Guardian (OPG) each year.	Control objective achieved.

#### 4 Overall Opinion

- 4.1 **Materiality and impact:** SBC are currently appointed deputies for 26 people within the Borough, for which they are responsible for managing their decision-making and finances. Any failures of internal control in this management would have a detrimental effect on the clients both personal and financial wellbeing, be a failure to demonstrate consistency with the Code of Practice and may result in some negative publicity in the local press, leading to reduced public confidence together with a risk to the Council's reputation. Due to these factors, the overall materiality and impact is deemed **Medium**.
- 4.2 **Opinion on system controls: Significant Improvements Required:** The auditor completing the review concluded that existing procedures needed to be improved to ensure that they are fully reliable. A number of significant recommendations have been made to improve missing or failing controls.
- 4.3 **Overall assessment of risk:** The combination of the **medium** impact of the system, along with the opinion on the system controls gives an overall risk assessment to the Council as being **moderate**:

		MATERIALITY AND IMPACT		
SYSTEM CONTROL		High	Medium	Low
1	High standard	Minimal	Minimal	Minimal
2	Satisfactory	Moderate	Minimal	Minimal
3	Significant Improvements required	Of Concern	Moderate	Minimal
4	Fundamental weaknesses identified	Significant	Of Concern	Moderate

- 4.4 The following key recommendations should be implemented in order to achieve the improvements required:
- A Service Level Agreement (SLA) between Adult Social Care and the Central Finance Team (Deputy Team) should be devised and agreed in order to clearly state the roles and responsibilities of all parties involved in the administration of client accounts. This should include management of interface meetings to determine best interests where care planning is disputed.
  - Formal documented procedures should be created in order to govern the processes integral to the operating of deputyship accounts.
  - Standardised forms and documents should be devised in order to provide consistency across all the procedures.
  - The Group Director for Housing and Social Care should ensure that Adult Social Care provides an active monitoring role in the administration of client accounts.
  - Purchases or allowances provided to the client should be receipted and signed by the client to confirm receipt of the money or goods.
  - Best value should be demonstrated for all purchases made from a client's account and how this has been achieved should be clearly evidenced.
- 4.5 All of the matters arising are detailed in the action plan, together with suitable recommendations and an indication as to whether the matters arising are of a high, medium or low priority. The action plan provides a checklist of the findings of the review, potential consequences, and identifies officers responsible for implementing the recommendations and appropriate time-scales.
- 4.6 Management's response to the audit recommendations is included in Appendix B.

## **5 Secure Procedures**

- 5.1 It was noted that the following secure procedures are an integral part of the administration of deputyship accounts system:
- Proper accounting records are held in respects of all current SBC appointed deputyships, in the form of an excel income record, bank account and statements and a paper correspondence and evidence file.
  - Statutory principles set out in the Mental Capacity Act 2005, the Data protection Act and other legislation have been deemed to be complied with, in regards to the payments and client files examined during the audit.
  - All payments examined during the audit, in and out of a client's account were found to be are logged onto the client's excel spreadsheet and could be reconciled to the bank statements.
  - Reconciliations of client excel records to the bank statements are completed each month.



- All current clients that were examined during the audit had been subject to a medical assessment from a qualified professional (i.e. Doctor) before their application had been referred to the Court.
- There is segregation of duties between the raising of payments by the Care Worker and the administration of payment by the Deputy Team.

### Section 6: Findings and Recommendations - Action Plan

The purpose of this action plan is to provide a summary of the matters arising during the audit of Deputyships together with the associated risk of non-compliance, recommendations to mitigate risks, responsible officer and proposed timescales. In order for you to identify the most significant matters arising, which affect the reliance that can be placed on the controls reviewed, the recommendations have been prioritised.

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Timescale
<b>1</b>	<b>There are documented procedures supporting actions taken by Council Staff as appointed Deputies.</b>				
1.1	<p>Once SBC have been informed of their appointment as Deputy, any assets belonging to the client need to be identified. However, there are no formal documented procedures that guide this process, such as:</p> <ul style="list-style-type: none"> <li>How to identify any assets belonging to the client.</li> <li>How to record any property found.</li> <li>The procedure to value any property identified, including when and when not to.</li> </ul> <p>In addition, there are no procedures for guiding:</p> <ul style="list-style-type: none"> <li>The process for dealing with a client with deferred loans that outweigh their assets.</li> <li>The disposing of a client's assets, including selling a client's house (from clearing the property to selling the property).</li> </ul>	<p>Staff unaware of how to record assets of new deputyships.</p> <p>Inconsistent recording and valuing of client assets/disposals.</p> <p>Incomplete records that are required by the Office of Public Guardian (OPG).</p>	<p>Formal documented procedures should be created in order to guide the processes integral to the operating of deputyships. These procedures should cover:</p> <ul style="list-style-type: none"> <li>The process for identifying and recording client assets.</li> <li>The process for valuing client assets, including when and when not to do so.</li> <li>The actions to be taken where it is identified that a client has deferred loans greater than their assets, including who in Legal should be contacted.</li> <li>The process for disposing of assets.</li> <li>The procedure for undertaking a property sale, from deciding to sell through to the completion of the sale.</li> <li>The procedure for notifying all relevant internal departments and external organisations of the deputyship arrangement so that queries and post is received promptly by the deputy.</li> </ul> <p>Where possible, standard forms and documents should be devised and used in future, in order to provide consistency across all the procedures.</p>	<b>High</b>	<p>Group Director for Housing and Social Care</p> <p>(in conjunction with)</p> <p>Central Finance (Deputy Team) Leader.</p> <p>December 2009.</p>

## Internal Audit Report – Deputyships

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Timescale
<b>1</b>	<b>There are documented procedures supporting actions taken by Council Staff as appointed Deputies.</b>				
1.2	<p>17 client files were examined in total during the audit. It was identified that there were no consistent records held of assets belonging to the client in any of the files examined, including the value of each asset.</p> <p>There was also no record of the disposal of items recorded in any of the files examined.</p> <p>2 files examined had details of a property clearance after the Deputy Team had decided to sell the property. However, it was established that properties are 'cleared' with no attempt made to recover any of the value of these cleared items. Due to this, it was not possible to confirm that best value has been obtained in disposing of assets, especially as there is no valuation procedure in the first place.</p>	<p>No record of client assets.</p> <p>Misappropriation/ allegations of theft against Deputy.</p> <p>Best value not achieved in the disposal of assets.</p> <p>Non-Compliance with Council Financial Regulations.</p> <p>Non-compliance with best value principles in Mental Capacity Act.</p>	<p>There should be a clear and standardised inventory form, to record all assets that belong to each client that is completed at the appointment stage of a Deputyship. The inventory should act as a checklist of what property has been identified and the value of each item. There should also be the capacity to allow other ad hoc property to be recorded where found.</p> <p>The record should also show what property belonging to the client has been disposed of, who has authorised it, the date of disposal and how best value has been achieved. Each entry should be checked and signed by 2 officers to demonstrate adequate segregation of duties.</p> <p>The records should be retained on each client's file and form part of the procedures recommended in 1.1.</p>	<b>High</b>	<p>Group Director for Housing and Social Care</p> <p>(in conjunction with)</p> <p>Central Finance (Deputy Team) Leader.</p> <p>December 2009.</p>

## Internal Audit Report – Deputyships

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Timescale
<b>1</b>	<b>There are documented procedures supporting actions taken by Council Staff as appointed Deputies.</b>				
1.3	<p>During testing it was identified that one deputyship arrangement was not a deputyship at all, as the relevant application to the Court of Protection had not yet been made.</p> <p>There is a completed referral form on file dated 07/04/08, that determines the client's lack of capacity for decision-making. However at present, SBC are only legally an Appointee for this client and should only help manage the client's finances i.e. by receiving their benefit payments and paying their bills on time. They have no authority to make financial decisions on their behalf.</p> <p>The last entry recorded in the client's diary sheet in their file is dated September 2008, which states that the case has been referred to the Duty Team (ASC) in order for a care worker to be allocated to the client so that the Court Application can be completed. No further correspondence or action has been undertaken.</p>	Vulnerable client does not receive the care owed.	<p>The relevant Team in Adult Social Care should appoint a social worker to the client in question in order for the deputyship application to be completed and sent to the Court of Protection as soon as possible.</p> <p>Alternatively, if the client is to remain as an appointee, the client should be removed from the list of current deputyships.</p> <p><i>(NB. For confidentiality reasons, the Deputyship's name has been omitted from the report).</i></p>	<b>High</b>	<p>Director: Service Delivery (Housing and Social Care).</p> <p>December 2009.</p>

## Internal Audit Report – Deputyships

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Timescale
<b>1</b>	<b>There are documented procedures supporting actions taken by Council Staff as appointed Deputies.</b>				
1.4	<p>All deputyships have a designated care worker who is the first point of contact for the client, they are responsible for making requests for money on their behalf. For payments, such as holidays or a new television, this request is made in writing, either by letter or e-mail. A standard form is not used.</p> <p>5 out of 20 payments examined during testing did not have supporting documentation of the payment on file, such as request, receipts or authorisation:</p> <ul style="list-style-type: none"> <li>▪ 4 payments did not have any documentation held on file, such as requests, receipts or invoices, to support the payments identified on their excel spreadsheet records and bank statements.</li> <li>▪ One payment for a personal allowance of £100 was paid, however it is unclear from the client file when the request was made, or the amount being asked for by the Care Worker.</li> </ul> <p>In addition, one other payment was authorised, but the date of authorisation was not recorded.</p>	<p>Delay in payment for items needed by the client.</p> <p>Unable to reconcile amounts requested to amounts paid.</p> <p>Non-compliance with Council Financial Regulations.</p> <p>Unable to demonstrate best value.</p> <p>Allegations of misuse of client accounts.</p>	<p>All requests for payment should include standard information such as: the client name, the date of request, the person making the request, what the payment is for, the amount requested and any other relevant information that will effect the decision to make the payment.</p> <p>A standard form could be devised in order to ensure that all requests are complete with sufficient information to allow the request to be paid.</p> <p>Furthermore, the range of likely financial requests should be identified in the client's care plan and subject to review on an ongoing basis so that the payment process is more standardised.</p>	<b>High</b>	<p>Group Director for Housing and Social Care.</p> <p>December 2009.</p>

## Internal Audit Report – Deputyships

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Timescale
<b>1</b>	<b>There are documented procedures supporting actions taken by Council Staff as appointed Deputies.</b>				
1.5	<p>The Deputy Team are responsible for subjectively assessing requests for payment and deciding on whether it is in the best interests of the client. Where there is potential disagreement between the Deputy Team and the Care Worker or family/friend of the client, a process of negotiation is undertaken, usually in the form of a meeting, to come to an agreement.</p> <p>Although for a major decision it was stated that discussions would be informally documented, minutes of these meetings are not taken to evidence the decision making process.</p>	<p>Unable to demonstrate payment is in the best interest of the client.</p> <p>Poor OPG review opinion.</p> <p>Relinquishment of Court authority.</p>	<p>Any meetings that take place regarding the decision making process for a specific payment from a clients account should be minuted accordingly and held on file with the details of that payment.</p> <p>In addition, best interest meetings should follow standard procedure and documentation and be chaired appropriately.</p>	<b>Medium</b>	<p>Central Finance (Deputy) Team) Leader.</p> <p>From next meeting.</p>
1.6	<p>It is not a current requirement for individual Deputy Team members to express conflicts of interest that they may have, therefore it would be difficult to confirm that these have been avoided when purchasing on behalf of the client.</p> <p>There is also a potential conflict of interest where SBC decide to sell a client's property and the client is residing in an SBC care home, as the proceeds of the sale are generating income for SBC. It is unclear what would happen in the event of a dispute or complaint of this kind.</p>	<p>Potential conflict of interest.</p> <p>Best value is not applied to spending of client's money.</p> <p>Allegations/disputes over Deputy's conduct.</p>	<p>All members of the Finance (Deputy) Team and authorised signatories should complete a pecuniary interest form in order to demonstrate that conflicts of interests have been declared. Where a member of the team has an interest, the payment should be authorised by another officer.</p> <p>In addition, where there is a potential conflict of interest arising from a property sale, advice and authorisation should be sought from a Council Officer independent of Adult Social Care and the Deputy Team, i.e. someone in Law and Democratic Services.</p>	<b>Low</b>	<p>Central Finance (Deputy) Team) Leader.</p> <p>December 2009.</p>

## Internal Audit Report – Deputyships

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Timescale
<b>2</b>	<b>Responsibilities of Council Officers are clearly set out and differentiate between the roles of staff on the Adult Social Care (ASC) side and those staff providing support as appointed Deputies.</b>				
2.1	<p>The Deputy Team are responsible for the management and administration of each client's finances and, these are all Capita employees.</p> <p>Despite this delegation, there is not a documented agreement between SBC and Capita as to where each other's responsibility lies. It was stated in discussions with Capita staff that there have been disagreements in the past that has resulted in the care worker passing non-financial responsibilities to the Finance Team, such as registering the death of a client.</p> <p>Currently relationships are good between the Deputy Team Leader and Adult Social Care, which allows these issues to be discussed, however there is nothing to clarify where the boundaries are between Adult Social Care and the Deputy Team, or indeed SBC and Capita.</p>	<p>Ownership and responsibilities are ill defined.</p> <p>Disputes over responsibilities.</p> <p>Deputyship receives inadequate care.</p>	<p>The should be a service level agreement (SLA) between Adult Social Care and the Central Finance Team (Deputy Team) that clearly state the roles and responsibilities of each party in the administration of client accounts.</p> <p>The boundaries between Adult Social Care and the Deputy Team roles and responsibilities should be decided and clearly stated, with no overlap, including who should be authorised to deal with the clearance of client's homes and the disposal of their property.</p> <p>Furthermore, the SLA should determine that the overriding authority over client monies lies with the Director of Adult Social Care (or equivalent role) as stated in the Court Order.</p>	<b>High</b>	<p>Group Director for Housing and Social Care.</p> <p>January 2009.</p>

## Internal Audit Report – Deputyships

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Timescale
<b>2</b>	<b>Responsibilities of Council Officers are clearly set out and differentiate between the roles of staff on the Adult Social Care (ASC) side and those staff providing support as appointed Deputies.</b>				
2.2	<p>There is not an official or documented monitoring role carried out by anyone in Adult Social Care to check the performance of the Deputy Team. There may be ad hoc meetings to discuss matters or negotiate potential payments, but that is all.</p> <p>The Director: Service Delivery (Housing and Social Care), receives the current list of deputyships each month, however it is unclear what is done with this list.</p>	<p>No ownership of delegated authority.</p> <p>Administration of client accounts is not monitored and thus open to abuse.</p>	As the responsible Deputy, the Group Director for Housing and Social Care should ensure that a responsible officer in Adult Social Care provides an active monitoring role in the administration of client accounts, to satisfy themselves that the operation of deputyships is done so under the terms of the Court Order and the Service Level Agreement recommended in 2.1, above.	<b>High</b>	<p>Group Director for Housing and Social Care.</p> <p>December 2009.</p>



## Internal Audit Report – Deputyships

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Timescale
<b>3</b>	<b>All disbursements are made in accordance with the Councils Financial Regulations and ensuring there is adequate segregation of duties.</b>				
3.1	<p>During testing, a sample of 20 client accounts was selected to ensure that each payment made was compliant with the Court Order, had been raised by a care worker, authorised by the appointed Deputy and had supporting documentation on file, including receipts and demonstration of best value, where necessary.</p> <p>It could not be satisfactorily evidenced for 10 out of the 20 payments tested that the money was either received by the client or spent on the client.</p> <ul style="list-style-type: none"> <li>▪ 6 of these 10 were personal cash allowances, for which there was no receipt on file signed by the client to confirm they had received the money.</li> <li>▪ 4 out of 10 were invoices sent by a care home for goods/services that had been received by client, however there was no evidence to support that the individual items have been received.</li> </ul> <p>The total amount of these payments was £1,085.35.</p>	<p>Non-compliance with Council Financial Regulations.</p> <p>Client does not receive their money/products/services.</p> <p>Misappropriation/Allegations of theft of client property.</p>	<p>Purchases made should be receipted and signed by the client, where possible, to confirm receipt of the money/goods/services, especially if a personal allowance payment made in cash.</p> <p>There should be a clear protocol to establish the client's capacity to sign for payments, which should be assessed and reviewed on a regular basis. Evidence of these checks should be retained on file. In the event that the client is assessed as unable to sign for the payment, a care worker should sign the receipt on their behalf. This care worker should not be the person who has assessed their capability to sign.</p> <p>All signed receipts should be retained on file.</p>	<b>High</b>	<p>Group Director for Housing and Social Care.</p> <p>December 2009.</p>

## Internal Audit Report – Deputyships

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Timescale
<b>3</b>	<b>All disbursements are made in accordance with the Councils Financial Regulations and ensuring there is adequate segregation of duties.</b>				
3.2	<p>Client files were reviewed to ensure that for each payment examined during testing, there was a court order on file that gave the authority to SBC to act as a Deputy.</p> <ul style="list-style-type: none"> <li>▪ For 2 out of 20 payments examined a Court Order could not be evidenced. For one payment, no court documents were found on the client's file.</li> <li>▪ The other payment was to the client's Doctor who had completed a capacity referral form on behalf on the client. This needed to be completed before the application could be sent to the Court. However the Doctor requested payment in the time between the application being sent to the Court and the Court appointing SBC as Deputy. Payments for referrals are usually deferred, where possible, until receiving the Court Order, but as the capacity test had been completed, the Doctor had to be paid.</li> </ul>	<p>Illegal payments made from client accounts.</p> <p>Damage to reputation of SBC.</p>	<p>Payments should only be made out of a client's account if the Court of Protection so has granted authorisation to do.</p> <p>Where possible, application fees should be deferred until the Court order has been granted.</p>	<b>Medium</b>	<p>Central Finance (Deputy Team) Leader.</p> <p>December 2009.</p>

## Internal Audit Report – Deputyships

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Timescale
<b>3</b>	<b>All disbursements are made in accordance with the Councils Financial Regulations and ensuring there is adequate segregation of duties.</b>				
3.3	<p>10 out of 20 requests for payments were made via invoice.</p> <p>2 out of 10 invoices requested payment for items that were not supported by individual receipts. Both were from the same care home (Quarry Mount), requesting payment for items such as hairdressing, entertainment and clothing however there is no evidence that these items were authorised by the appointed Deputy.</p>	<p>Payment not authorised by appointed Deputy.</p> <p>Best value not achieved.</p> <p>Client funds do not cover costs of service/items purchased.</p>	<p>Payments should not be made unless supporting receipts can be provided, to evidence that the payment is genuine and it can be reasonably believed that the client has received the items in question.</p> <p>It should be communicated to Care Workers and Care Homes that individual receipts for items should be provided to support invoices that require payment for individual items/services.</p> <p>Where practical, individual items should be authorised by the Deputy prior to purchase, to confirm that the spend corresponds to the assessment of the likely nature of requests for payment, which should be outlined in the care plan as per recommendation 1.4.</p>	<b>Low</b>	<p>Director: Service Delivery (Housing and Social Care).</p> <p>December 2009.</p>
3.4	<p>An excel spreadsheet is maintained for each client and is used to record client expenditure. This is reconciled to the bank statements upon receipt each month.</p> <p>However, sometimes payments are not inputted into the spreadsheet until the time of the reconciliation, when appearing on the bank statements. These are usually regular scheduled payments.</p>	<p>Reconciliations are not correct.</p> <p>Discrepancies cannot be identified.</p>	<p>Regular scheduled payments, such as direct debits, should be inputted onto the client excel spreadsheets when due, so that reconciliations can be performed independently and discrepancies recorded as necessary.</p>	<b>Medium</b>	<p>Central Finance (Deputy Team) Leader.</p> <p>December 2009.</p>

# Internal Audit Report – Deputyships

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Timescale
<b>4</b>	<b>Best value principles are applied in spending client monies and in the management and disposal of their assets.</b>				
4.1	<p>10 payments were selected to ensure that there was evidence on file that best value had been achieved.</p> <p>It was concluded that 8 out of 10 payments could not demonstrate that best value had been achieved:</p> <ul style="list-style-type: none"> <li>2 payments had no supporting documentation.</li> <li>1 further payment only had the invoice to support the payment.</li> <li>3 payments did not have quotes on file, where they would have been reasonably expected.</li> <li>1 payment was a £500 personal allowance requested by the care home on the client's behalf. There was no breakdown of what the allowance was for or how long it should last (see 4.3).</li> <li>1 payment was for a property clearance, however there was no evidence that items had been valued or an attempt made to reclaim any of their cost before being disposed of (see 4.4).</li> </ul>	<p>Best value not achieved for Deputy.</p> <p>Poor review from OPG.</p> <p>Relinquishment of Court Order authority.</p> <p>Damage to the reputation of the Council.</p>	<p>Best value should be demonstrated for all purchases made from a clients account and how this has been achieved should be clearly evidenced.</p> <p>Where possible, quotes should be obtained and the best-valued offer chosen to ensure best value has been achieved.</p> <p>In addition, there should be established procedures for where the need for best value is outweighed by the urgency of the assessed and recorded need of the client</p>	<b>High</b>	<p>Central Finance (Deputy Team) Leader.</p> <p>December 2009.</p>

# Internal Audit Report – Deputyships

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Timescale
<b>4</b>	<b>Best value principles are applied in spending client monies and in the management and disposal of their assets.</b>				
4.2	<p>One payment examined was for a television.</p> <p>The original e-mail request was for a £200 TV from Argos. Tracing through e-mail correspondence, eventually a 42" TV and wall mount costing £758.99 was purchased for the client from Comet because of his 'visual needs'. However, no written quotations are on file to compare the specifications/costs of the television.</p> <p>Furthermore, the care worker chose and paid for the television out of her own account and then claimed the money back from the Deputy Team.</p> <p>Attached to the payment details of the television, there is an invoice on file from a handyman for the fitting of a TV to the wall of the client's home, however the invoice does not detail what model or size this TV was.</p> <p>The details of the payment held on file make it difficult to substantiate with any certainty that the client received best value, or the actual television that was purchased.</p>	<p>Client does not receive intended item.</p> <p>Misappropriation/ allegations of theft.</p> <p>Expenditure not authorised before purchase.</p> <p>Care worker cannot claim money back from client.</p>	<p>A third party should not make a payment on behalf on the client and then seek to claim this back from the Deputy Team. All payments made on behalf of a client should be done so from the client's bank account, and only after the appointed Deputy has given authorisation.</p> <p>Where products are bought on behalf of the client, sufficient records should be kept to ensure it could be substantiated that the products have been received by the client, i.e. from a delivery note signed by the Deputyship.</p>	<b>High</b>	<p>Group Director for Housing and Social Care</p> <p>(in conjunction with)</p> <p>Central Finance (Deputy) Team) Leader.</p> <p>December 2009.</p>

## Internal Audit Report – Deputyships

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Timescale
<b>4</b>	<b>Best value principles are applied in spending client monies and in the management and disposal of their assets.</b>				
4.3	<p>One payment examined was a £500 personal allowance that had been requested, on behalf of the client, by the care home in which they reside.</p> <p>However, there was no breakdown of what the allowance was for or how long it should last for and there did not appear to be any further correspondence on file to question whether the amount that needed to be sent was appropriate and in the client's best interests.</p>	<p>Payment not in the client's best interest.</p> <p>No record of cash expenditure, and thus no evidence of best value.</p>	<p>Personal allowance payment requests should indicate what the likely expenditure will be, to ensure the amount requested is reasonable. This should be reflected in the client's care plan.</p>	<b>Medium</b>	<p>Director: Service Delivery (Housing and Social Care).</p> <p>December 2009.</p>
4.4	<p>One payment examined was for the clearance of a client's house, as the property was not going to be returned to by the client and had been agreed to be sold.</p> <p>3 quotes were received from different companies and the cheapest was chosen. There was a list of items that needed to be cleared from the house, but no evidence that these had been valued or any attempt made to reclaim the cost of items.</p>	<p>Best value of client property is not achieved.</p> <p>Assets of deputyship not recorded.</p> <p>Potential high-value item is not identified.</p>	<p>Client's property that is to be disposed of should be done so with best value principles in mind. Where possible, property should be valued and sold in order to reclaim some monies back before being cleared and disposed.</p> <p>The disposal should be recorded on the client's inventory as outlined in 1.2.</p>	<b>Medium</b>	<p>Group Director for Housing and Social Care</p> <p>December 2009.</p>

## Standard Audit Opinions

1. The audit opinion is based on two different criteria the first is the materiality of the system and it's impact on the Council if there was a system failure. This has been spilt into High, Medium or Low.
2. The second criteria, is the standard of control found within the system audited. This has been categorised into 4 different levels i.e. high; satisfactory; significant improvements required and, fundamental weakness. Each of these categories has a standard opinion (see below).

Standard Audit Opinions on System Control
<b>Audit Opinion 1. <i>High Standard</i></b> The auditor completing the review concluded the significant system controls are in place and operating effectively and only minor recommendations have been made.
<b>Audit Opinion 2. <i>Satisfactory Standard</i></b> The auditor completing the review concluded that most of the significant controls are in place and operating satisfactorily although some non-compliance was identified and therefore there is scope for improvement.
<b>Audit Opinion 3. <i>Significant Improvements Required</i></b> The auditor completing the review concluded that existing procedures needed to be improved to ensure that they are fully reliable. A number of significant recommendations have been made to improve missing or failing controls.
<b>Audit Opinion 4. <i>Fundamental Weaknesses Identified</i></b> The auditor completing the review concluded that the matters arising from the review are sufficiently significant to place doubt on the reliability of the procedures reviewed. Implementation of the recommendations made is a priority to ensure that reliance can be placed on the system.

3. The combination of these two factors gives an overall risk assessment to the Council of one of four scores i.e. significant, of concern, moderate or minimal (see section 4 of the main report).