

**Social Care Establishments 2013-14**  
**City of York Council**  
**Internal Audit Report**

Business Unit: Adult Commissioning, Modernisation and Provision

Responsible Officer: Assistant Director, Adult Commissioning, Modernisation and Provision

Service Manager: Group Manager

Date Issued: 30/05/2014

Status: Final

Reference: 11570/002

	P3	P2	P1
Findings	0	3	1
Overall Audit Opinion	Limited Assurance		

## Summary and Overall Conclusions

### Introduction

The council operates four sheltered housing schemes that also provide an extra care service. Additional facilities at these four schemes include specialised bathing equipment or additional lifts for use by residents with disabilities. The four schemes have a total of 150 accommodation units.

Part of the support available to residents includes support to manage their finances. For example, staff may undertake shopping trips to purchase items for residents who can no longer manage this task themselves. New procedures for handling resident's money were introduced at the start of 2013.

### Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system would ensure that:

- All customers have their capability to manage their own finances assessed as part of their care plan.
- Support to manage finances is only given in line with the agreed care plan.
- There are adequate security arrangements in place for the storage of residents' cash and bank cards.
- Records are maintained and appropriate authorisation is obtained for all transactions involving customer finances.
- Regular monitoring and review of records takes place.
- Staff who support customers with their finances receive the necessary training.

The audit included visits to Barstow House, Gale Farm Court and Marjorie Waite Court.

### Key Findings

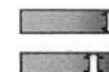
There are currently no comprehensive assessments undertaken to establish whether customers have the capacity to manage their own finances. This has resulted in the cash handling procedures being applied inconsistently at the establishments. XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
XX. The weaknesses in controls surrounding handling customer's money increases the risks that money is lost or stolen or that allegations of theft are made against members of staff.

### Overall Conclusions

Overall, there is a poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation. Our overall opinion of the controls within the system at the time of the audit was that they provided **Limited Assurance**

## Area Reviewed: Assessment of a customer's financial capacity

Severity  
Probability



1	Issue/ Control Weakness	Risk
	Customers are not being assessed to confirm whether they have the capacity to manage their finances.	The correct process to manage the customer's finances is not being identified which could lead to their money not being managed appropriately.

### Findings

A review of customer cases was undertaken to determine what, if any, assessment had been done regarding the customer's capacity to manage their finances. The following issues were noted:

- There was no section on the social care assessment or support plan record to assess the person's capacity to manage their finances.
- The person's capacity to manage their finances was not assessed in detail and sometimes no mention was made at all to financial capacity. There were a number of assessments that stated the customer needed assistance with their shopping but not whether they were able to make financial decisions.
- Very few assessments reviewed whether the customer was vulnerable to financial abuse.
- In cases where the person was not deemed to have capacity to manage their finances, family members were not always being identified to perform this task. Where a family member was identified, consideration was not always given as to what would happen if they could not fulfil their responsibilities for managing the customer's finances.

### 1.1 Agreed Action

The Social Care Assessment has been expanded so there is now a separate section within the form to assess the customer's capacity to manage their finances.

In cases where customer needs assistance with these activities a Mental Capacity Assessment will be completed to provide more details of the customer's capacity to make decisions. The outcome of both assessments will be included in the customer's Support Plan Record to ensure they are given the correct support when managing their finances.

Instances where customers are at risk of financial abuse will be identified in the Social Care Assessment.

A briefing note will be produced to assist staff undertaking Social Care and Mental Capacity Assessments to ensure they are completed correctly.

Priority	1
Responsible Officer	Assistant Director Assessment and Safeguarding
Timescale	31 March 2014

## Area Reviewed: Inconsistent use of money handling forms

Severity  
Probability

1

1

### 2 Issue/ Control Weakness

Incorrect Money Handling Forms being used.

### Risk

Increased risk of theft, inadequate supporting records for transactions and the potential lack of customer authorisation for expenditure incurred.

### Findings

The revised money handling procedures state that form A should be used where customers have capacity to manage their own finances and form B should be used where they do not (and either a friend, relative or the council is responsible for their financial management). However, these procedures were not being applied consistently. The following errors were identified:

- Some customers had used both form A and form B at different times with no explanation available for the change.
- Examples were found of older forms, without the appropriate authorisation requirements, still in use.
- Form B has been signed by the customer and one member of staff in some cases when it should be signed by two members of staff and only used for customers without financial capacity.
- Form A has been given to all residents for use in emergencies, for example if staff are needed to provide some support with shopping where this is not normally provided. This included residents without financial capacity who should only be using form B to ensure two staff are authorising each transaction.

### 2.1 Agreed Action

Staff will be reminded that the correct Money Handling Form should be used in all instances.

Money Handling Form B will always be signed by two carers. If a counter signatory is not available when emergency purchases are made then a note will be added to the form and the money checked the following day.

Additional spot checks will be undertaken by the Team Leader, Service Lead and Service Manager to ensure the correct forms are being used consistently with any discrepancies being raised with the relevant members of staff.

#### Priority

2

#### Responsible Officer

Service Manager -  
Prevention and Support  
Services

#### Timescale

30 April 2014



## Area Reviewed: Secure storage

Severity  
Probability

1  
1

3	Issue/ Control Weakness	Risk
	XX XXXXXXXXXXXXXXXXXXXX.	XX XX XX XXXXXXXXXXXXXXXXXXXX.

### Findings

The provision of secure storage for residents varies depending on the establishment and the support received by the customer. XXXXXXXX  
XX. XXXXXXXX  
XX  
XXXXXXXXXXXXXXXXXXXX.

XX  
XX. XXXXXXXX  
XX  
XXXXXXXXXXXXXXXXXXXX.

### 3.1 Agreed Action

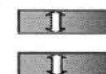
Cases XXX  
will be reviewed on a regular basis to confirm the storage arrangements are still appropriate.

Storage of cash and valuables and the secure options available for customers to purchase will be discussed with residents as part of the annual support plan undertaken for all customers in receipt of care.

Priority	2
Responsible Officer	Service Manager - Prevention and Support Services  Supported Housing Manager
Timescale	31 May 2014

## Area Reviewed: Training and guidance

Severity  
Probability



4	Issue/ Control Weakness	Risk
	The training to staff does not include dealing with conflicts of interest or the risk of financial abuse.	Instances of conflicts of interest or financial abuse are not being dealt with appropriately.

### Findings

The training given to staff was based on the guidance notes that were issued to assist them completing the new Money Handling Forms. Although this training covered the process for completing the forms they did not include dealing with potential conflicts of interest or the risk of financial abuse.

### 4.1 Agreed Action

A meeting has been held with the Assessment and Safeguarding team to ensure that future training includes dealing with potential conflicts of interest and the risk of financial abuse.

Additional training on issues relating to the Money Handling Procedures will be provided to staff in monthly team meetings.

Priority	2
Responsible Officer	Service Manager - Prevention and Support Services
Timescale	31 May 2014

## Audit Opinions and Priorities for Actions

### Audit Opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit.

Our overall audit opinion is based on 5 grades of opinion, as set out below.

Opinion	Assessment of internal control
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Moderate assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited Assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

### Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

