

FTF Internal Audit Service

Charging for Services Process – Follow Up

Report No. AN06/24

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Draft Report Issued	19/03/2024
Management Responses Received	20/03/2024
Target Audit & Risk Committee Date	24/04/2024
Final Report Issued	28/03/2024


CONTEXT AND SCOPE

1. The purpose of this audit is to follow-up on the findings and progress on suggested process improvements which were highlighted in Audit Report AN05/21 Charging for Services Process issued in June 2021.
2. The scope of the original audit was to review, document, and map the procedures in place to manage the charging processes with the aim of limiting the level of bad debt, help service users manage payments more easily, and address potential inefficiencies highlighted by management. The current focus is now mainly on the third point, addressing potential inefficiencies highlighted by management.
3. Audit Report AN05/21 issued 2 June 2021 included a map of all elements of the existing HSCP charging process, observations, and recommendations relating to the documented processes including gaps. Internal Audit also identified issues that the review did not have time to fully explore and which we recommended for further consideration by the services involved.
4. Due to the wide ranging and complex nature of the charging processes we anticipated that agreed actions within the report might need refined during the implementation process.
5. The report recommended that the issues identified should be discussed by the Charging Group, a SMART action plan agreed, and implementation progress monitored by the group.
6. This follow-up audit reviewed the following:
 - There is an improvement plan which has been agreed by the Charging Group and reflects the proposed actions of the AN05/21 Charging for Services Process review.
 - Actions to address the issues highlighted in the original review have been implemented or are a work in progress.
 - There is monitoring and reporting arrangements of the Improvement Plan.

The assignment concluded on the system adequacy and control application and has an overall opinion based on the criteria listed under 'Definition of Assurance' in Section 4 below.

AUDIT OPINION

7. The Audit Opinion of the level of assurance is as follows:

Level of Assurance		System Adequacy	Controls
Substantial Assurance		A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	Controls are applied continuously or with only minor lapses.

8. A description of all definitions of assurance and assessment of risks are given in Section 3 of this report.

EXECUTIVE SUMMARY

9. The actions/ recommendation of report AN05/21 Charging for Services Process are included within an improvement plan agreed and monitored by the Charging Group. The majority of the actions have been completed in full and updates are provided to the Angus Council Scrutiny and Audit Committee, and the Angus IJB Audit Committee.
10. The Senior Planning Officer and the members of the Improvement Plan team have excelled in completing and progressing the actions of the audit which involved a significant amount of work.
11. There are no new actions as a result of our follow up review of the charging process.

ACKNOWLEDGEMENT

12. We would like to thank all members of staff for the help and co-operation received during the course of the audit.

A M Machan, BA CPFA
Regional Audit Manager

Control 1 – There is an improvement plan which has been agreed by the Charging Group and reflects the proposed actions of the AN05/21 Charging for Services Process Review.

13. There is an Improvement Plan Log which is updated by the Senior Planning Officer. This plan reflects the 16 areas of further investigation recommended in the AN05/21 audit report. In addition, there are 8 actions to support the work to complete the original actions; actions 18 and 20 have been merged as one in version 13 of the plan.
14. The Improvement Plan records the audit recommendation, action, lead officer, deadline, actual completed date, and update/status. A copy of the status of the Improvement Plan as at 20 February 2024 is attached in Appendix 1.
15. There is a Project Team tasked to implement the Improvement Plan which is led by the Senior Planning Officer. This team refocused its priorities in February 2023 and has met regularly to progress the actions, which have been fast moving since then.

Control 2 – Actions taken to address the issues highlighted in the original review have been implemented.

16. At the date of our follow up review, 11 actions from the 16 original audit actions are classed as completed in full and recorded as green on the improvement plan. Five actions are in progress and highlighted in amber on the plan. Of the additional eight actions, four are classed as completed and four as in progress. These are documented in Appendix 1 to this report.
17. We received supporting documentation/evidence for completed actions and progress reports for each action in progress.
18. We discussed with the Senior Planning Officer the need for the Improvement Plan to be reflective of the status of each action. There are actions where the 'deadline' and 'status' dates or narrative are not notated. Also, the deadline dates may need to be amended to be realistic of the status of ongoing actions. The Senior Planning Officer agreed with the observations and version 14 of the Improvement Plan Log records the status and feasible deadline dates for each action. The progress with actions not yet completed in full has been discussed at the March 2024 Charging Group meeting.

Control 3 – There is monitoring and reporting arrangements of the improvement plan.





19. There are regular Angus Health and Social Care Partnership (AHSCP) Charging Group meetings where the Improvement Plan is discussed. The agenda of the meetings includes the Improvement Action Plan Update as a standing item. The Senior Planning Officer provides an update of the outstanding actions and group members have the opportunity to provide feedback on actions.
20. The Angus Charging Group membership has been widened during the period that the Improvement Plan has been progressing to include senior Angus Council representation.
21. We were invited to the Charging Group meeting held on the 29 January 2024. We observed that ongoing actions were discussed, and the Chair received verification from four members that they agreed with the progress of the plan and any concerns raised with continuing implementation of those outstanding. The next meeting is 25 March 2024.

22. Updates on the Improvement Plan are provided to the Angus IJB Audit Committee by the Chief Finance Officer AHSCP and to the Angus Council Scrutiny and Audit Committee by the Director of Finance, Angus Council.
23. The IJB Audit Committee received an update in December 2023, with the next update scheduled for the IJB Audit Committee meeting in April 2024.
24. Angus Council Scrutiny and Audit Committee, in January 2024, received report 22/24 (Appendix 1) Corporate Governance – Action Plan update. Action Code AC-CGOV-00043, Review Social Care Billing Process reported *'This action is now substantially progressed and new processes deployed and extensive staff training completed. A write off policy has also been concluded & all other work streams are nearing completion. The request to extend the final completion date to June 2024 is to enable the last few parts of the extensive workplan to be completed'*. The request was agreed by the Committee.

Section 3 Definitions of Assurance and Recommendation Priorities

Definition of Assurance

To assist management in assessing the overall opinion of the area under review, we have assessed the system adequacy and control application, and categorised the opinion based on the following criteria:

Level of Assurance		System Adequacy	Controls
Substantial Assurance		A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	Controls are applied continuously or with only minor lapses.
Reasonable Assurance		There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	Controls are applied frequently but with evidence of non-compliance.
Limited Assurance		Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	Controls are applied but with some significant lapses.
No Assurance		Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	Significant breakdown in the application of controls.

Improvement Plan Log V13, actions taken from the AN05/21 Audit Report.

Table is split into actions completed with evidence reviewed by Audit staff and actions ongoing as at 28 February 2024.

The deadlines for outstanding actions are recorded in V14 of the updated Improvement Plan, discussed at the Charging Group March 2024 meeting.

Audit Rec	Recommendation	Deadline	Status	Follow up evidence received for each action.
Completed actions, evidence received / observed				
1	1. Performance Info a. Performance/Systems Teams to provide appropriate management information on the cause and categorisation of debts, which would allow resources to be focused on the areas with the greatest potential for recovery.	15/09/2023	Completed 15/09/2023	Terms of Reference for Debt Group approved by Debt Management Group 28/11/2023 with quarterly debt meetings reinstated, first meeting was held 15/09/2023.
1b	b (i) information relating to which teams are completing CareFirst timeously should be provided to management.			Service Leaders receive a 'Planned Service Provision' report every Monday which provides timing details of updating CareFirst. Staff provided instructions and training on the process.
1b	b (ii) Investigate use of KPIs and build into audit of case reviews. Include in training. Include in OI for charging process.			We observed this is part of the 'to be' process papers and email, 13/02/2024 to Senior Planning Officer on suggestion to include checking of timing into case audits.
2	2. Training Training previously provided on the charging process should be reinstated to reinforce controls, timing, and consequences of incorrect application of policy.	08/06/2023	Ongoing	We received names of those who attended training in June and August 2023. The PowerPoint training is held on the intranet and staff notified how they can access the training slides/information.
3	3. System dates Mandatory date fields, should be added to the CareFirst/Eclipse system to ensure that the issuing of documents and updates is recorded, thereby ensuring that documents and updates are completed correctly. This will also provide better performance information and allow managers to monitor the application of process.	08/06/2023 for interim solution	Completed	Three Eclipse system changes were completed. Training information details the process for staff to record and update case notes promptly.
	4. Service Debt Reports	30/06/2023	Completed	Debt reports compiled, we observed those for the

4	Debt reports to be created which combine the data from Integra and CareFirst systems, allowing detailed information to be shared with relevant operational teams on a regular basis to allow them to have informed discussion with the Service Users or their representatives.		19/07/2023	November 2023 meeting.
5	5. System access The administration support within operational teams have limited access to Integra. Access to be reviewed, enhanced to allow them to deal with debts and enquiries by themselves.	20/04/2023	20/04/2023	System access requirements updated as per email correspondence April 2023. We received a meeting request for staff to attend Integra – invoice training (AHSCP) 20/04/2023 and confirmation 10 staff attended the training.
7	7. Debt Management System The current debt process is based on chasing individual invoices not cumulative debts and Customers are not issued with statements, only current invoices, which has resulted in some customers claiming that they were not aware of accumulating debts. A means by which a statement can be produced for the Service User should be investigated.	30/05/2023	Completed	A statement was developed and when to issue a copy is to be included in OI's.
7b	Agree when the statement will be used.	31/08/2023	19/12/2023	An exercise was completed with the outcome statements would be issued on request. This was agreed by the Charging Group 16/10/2023.
8	8. DWP Appointeeship while waiting on guardianship. The appointee route is quicker and allows access to state benefits, which can reduce or cover debts while service user (SU) representative is waiting on Guardianship but is being used less often.	05/06/2023	30/06/2023	Interlinked with rec 9. Paper on Corporate Appointeeship for Debt Collection recommended the current process to continue which was agreed by the Charging Group 28/08/2023.
9	9. Monitor position on holds policy Measure effectiveness of holds policy.	30/06/2023	Completed 24/04/2023	The Debt Management Agenda includes a standing item 7 - Holds Update. The group Terms of Reference (TOR) includes as an objective/responsibility 'to monitor debts on hold'.
12	12. Reassurance on Eclipse Concerns have been raised that when Eclipse becomes operational it will subvert processes which have been put in place to prevent charging for flat rate non means tested charges being missed. Reassurance on how Eclipse has been set up to deal with these issues should be provided to			We observed the 'to be' process map which includes eclipse processes. A S-Bar report on the Eclipse SW system highlights concerns, dated December 2023 and a risk to be included in the Strategic Risk Register.

	staff.			
13	13. Use of Firmstep Financial Assessment has been available online via Firmstep, this has been available for a couple of years, but the uptake by Care Managers is low. Are there reasons for the low uptake? Will there be a need for this as Eclipse is developed? i.e. would the financial forms, Direct Debits etc be integrated into the new system?	08/06/2023		Financial team training provided online. We received a copy of the Financial Assessment count which records a reduction in usage of the online portal in the past few months. This is to be discussed at the March 2024 Charging Group.
14	14. Staff Involvement Decision needs to be taken as to what platform is used to take our suggested actions forward. Previously some of these issues have been discussed at the Charging Meeting, but other staff involvement is required e.g. Systems Team, Council Finance/IT in relation to Debt Management etc.		Completed 24/04/2023	We confirmed progression of actions are being taken forward by the Project Team, led by the Senior Planning Officer and include staff from all relevant areas. Staff attend AHSCP Charging Group, Debt Management and the Eclipse working group meetings.
15	15. Service Design/ Development. It is clear that some tasks have not been reallocated or have been "lost" as services have been redesigned. These tasks need to be recorded so management can decide on how to take forward and ensure ownership is identified. A review to identify lessons for further development should be undertaken for any further developments to ensure that these gaps in procedures /processes do not happen.	28/08/2023		We confirmed development of tasks, ownership in procedures and processes are now part of the 'to be' process. Debt Management meetings have resumed per action 1 which was raised as a concern of the audit as a 'lost' procedure.
Actions In Progress / Paused				
6	6. Debt Write Off Information. a. The AHSCP should develop, approve, communicate, and enforce formal procedures for writing off bad debts in relation to service charges including authorisation levels and requiring appropriate communication with relevant staff/teams before debts are written off. b. Information on the debts being written off is collected but not currently shared with AHSCP finance which could easily be done. c. Management should investigate the costs and benefits of stratified coding of write offs to allow easy identification of budget holders.	31/08/2023 V14 30/06/2024	In Progress	The Debt Group met in December 2023 and February 2024. Legal staff are to provide a base-line position of all current debts for year-end work. Updates are given to the Charging Group as to the progress and concerns of Debt Write Off processes.

10	<p>10. Paying in advance and annual invoice for low cost services. Are the current systems able to deal with refunds easily, would this reduce people not paying invoices, and would annual charges cause issues for Service Users living on monthly benefits?</p>	V14 30/06/2024.	Paused.	At the Charging Group meeting, 29/01/2023 it was agreed that this action is paused until the Community Alarm Review has been finalised.
11	<p>11. Increase in batch processing Can overnight batches be run to prevent waiting for the next 4 weekly cycle? This would mean initial invoices are processed quicker and then the regular cycle of invoices would commence; spreading the work across weeks instead of being concentrated on week 3 and 4?</p>	V14 30/06/2024	In Progress	Ongoing. Update as at 19/12/2023 staff continue to develop options but there is significant system and policy changes required to implement this action.
15b	<p>15b. Service Design / Development Stopped task identified – Holds whilst awaiting guardianship - no update.</p>	V14 30/06/2024	In Progress	Still to be progressed, an update to be provided to at the March 2024 Charging Group.
16	<p>16. Similar Payment vehicles between AHSCP and AC have different controls. AHSCP documents refer to recovery of overpayments, mismanagement of payments, and duties on carers, the Angus Council equivalents do not necessarily have the same conditions for similar types of payments. This is evident between Agreements used for the older people/children.</p>	V14 To be confirmed		Update to the Charging Group 29/01/2024 noted the Senior Planning Officer with Procurement staff will update on the progress once a review is completed by Legal.

Actions added to compliment recommendations.

Completed actions, evidence received / observed				
17	17. Respite paper implications	17/04/2023	Completed	Email between all concerned parties received. Staff reminded of process for temporary placements.
19	19. Develop an OI on contribution policy		Completed 05/06/2023	Social Care Contributions Policy and Guidance developed for staff on Non-residential Services.
22	22. Letters - remove any duplication of issuing	28/04/2023	28/04/2023	Agreed at the Charging Group, 05/06/2023 for the processing team to stop issuing letters and only to be issued from a central source.
23	23. Explore charging section on intranet for staff.	30/06/2023	Completed	Training provided to staff on system and email, 19/07/2023 from Service Leader to staff regarding where to access the required data.
Actions In Progress				
18 and 20	18. 20. Develop an OI Finance charging process including financial assessment	06/09/2023 V14 30/04/2024		OI's to be completed by the end of the financial year for new training to be provided in April/May 2024.
21	21. Work with Eclipse Working group on 'to be' process	31/03/2024 V14 30/09/2024		Process mapping continues for the 'to be' process which should be deliverable. Update to the Charging Group 29/01/2024 noted that the Senior Planning Officer will provide a position statement at their next meeting.
24	24. Understanding requirement of the Finance Processing Team role in debt management – added June 2023	V14 30/09/2024		Progress to be discussed at the March 2024 Charging Group meeting.