

Appendix 5 - Adult Residential Services Audit Briefing Note

January 2023, Sara raised concerns around how Adult Residential Services (ARS), at the time with NRB Ltd, were managing residents' money, particularly the accumulation of monies in respect of deceased clients over many years; a potential incomplete picture in terms of all bank accounts held by citizens and a potential failure to manage the benefit position for each client. The financial data provided by NRB at the time initially indicated:

- 416 deceased cases with a total of over £1m being held by ARS. The oldest recorded estate / date of death being 07/11/2007 with £4,247.
- 246 citizens with funds accumulated within the ARS 'client monies account' This account holds citizen's capital where ARS are not able to send income straight out to the client/care home/family. This account has a credit balance of £1,496,691.

An audit was commissioned to review the way in which Appointeeships are managed with particular emphasis on:

- Confirming the balances held
- A high-level review of system and controls
- Identify key risks & next steps

As a result of the audit a number of recommendations have been made, which are detailed below together with actions

R1	BF57 approvals (DWP notifications) should be obtained in all cases in order that the Council can demonstrate that it is acting as instructed by the DWP. A record of the receipt of this notification should be recorded onto the FPM (Financial Protection Model)	Complete BF57 approvals are being received and scanned into Liquid Logic.
R2	These funds do not belong to the City Council and as such should be recorded separately within the client's money account. Each appointee should	The current system used, ContrOCC does not have the functionality to handle sub accounts. To mitigate this risk, a

	have their own bank account into which all income and expenditure should be recorded	<p>migration from ContrOCC to Caspa is planned and discussions have taken place to plan this project.</p> <p>Audit colleagues have advised of the intent to approach Finance colleagues about the treatment of appointee income, which is not NCC funds; ARS are acting on behalf of the resident and as such should be acting in their best interest. LL will enquire re progress.</p>
R3	There should be a full review of NCC's usage of the Financial Protection module with OCC to ensure that best practice is being followed and working practices are aligned with the intended use of the system.	See above, the existing system does not enable the required functionality.
R4	Once R3 above has been completed the training needs of colleagues should be assessed and where appropriate training provided	This has taken place in respect of the current system and will be part of the migration to Caspa.
R5	Steps should be taken to ensure that there is a comprehensive record of all activity undertaken on behalf of a client	Again, linked to ContrOCC functionality and will be resolved through migration to Caspa
R6	Appointees with negative balances within the Financial Protection Module should have their cases reviewed as a matter of priority to ensure that their financial needs are being met.	<p>There were 8 negative balances identified as part of this audit. These have been reviewed and a full summary of findings was provided to ASC on 11th May 2023. Manual reviews identified no issues.</p> <p>Audit have confirmed that issues have been resolved and accounted for outside of the system.</p>

R7	An urgent review of the appointee account balances should be undertaken to ensure that there is adequate funding to meet financial needs	The service conducted a manual review of balances shown in the financial protection module to ensure adequate funding in place. Again, migration to Caspa will resolve this concern.
R8	A full review of all the accounts within the Financial Protection Module with the aim of reducing those balances held and closing any accounts that are no longer required	The service conducted a review with the software provider who confirmed the system is not configured nor has the functionality to deliver the recommendations. Again, migration to Caspa would resolve this issue as the design is fundamentally different to that of ContrOCC's Financial Protection Module.
R9	"ARS Spare Account within client monies" The purpose of the account should be clarified and if possible, any balance cleared.	The account is historic. The account was created for receiving interest on accounts that had been closed. This was at a time before automation of account closures. There is a small balance on the account which LL and SS agreed could be transferred to the Lord Mayor's Charity, which is Hayward House Hospice.
R10	There should be quarterly regular reviews to ensure that the interests of the appointees are safeguarded	ARS have issued to issues 232 letters to Care Homes requesting information about balance of funds held on behalf of Citizens. To date, 31 responses have been received, any responses not received will be followed up with each recipient of personal allowance or directly with the residential home to challenge and ascertain the balance of any unspent personal allowance. For information, this balance remains below £16000
R11	All the procedures should be reviewed, and version control information be added to each one.	All procedures are now within a review mechanism, copies of revisions can be provided as and when. Whilst ContrOCC is in use, the team are committed to end-to-end testing for each release.

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