

Internal Audit Review of Social Care Debt – Credit Balances

Annex A

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Social Care Debt – Credit Balances	<p>The current level of social care credit balances is in the region of £933,000 of which approximately £207,511 are static balances held on deceased client's accounts. The remainder represents the timing difference in the collection of client's pension and benefit monies and the payment of their care charges. This review looked at credit balances on deceased client's accounts.</p>	<p>The auditor has established that social care debt reported to the Adult Social Care Select Committee is reported net of the credit balances that are held on SAP. As a result, debt is understated by approximately £550,000.</p> <p>In 2010 a specific suspense account was created to hold monies of clients or representatives who could not be contacted. Of concern is that the balances in the account totalling £95,597 have not been investigated. 66% of the balances are for clients who died more than five years ago and the oldest balance dates back to 2002. The auditor was unable to evidence active management of the account.</p> <p>The largest 10 balances on deceased client accounts were investigated. Findings show there has been little or no activity. Where there has been activity recorded on AIS it is unclear where copies of the correspondence is stored.</p> <p>While officers are keen to clear the balances they are unclear on the procedures and their responsibilities. Guidance is unavailable and officers are using their own local processes.</p>	Major Improvement Needed	<p>Reporting on Social Care Debt to the ASC Select Committee must include a regular update on gross credit balances. (M)</p> <p>Adopt a systematic approach to manage deceased client credit balances. All balances including those in the suspense account must be investigated (H).</p> <p>Explanatory notes/copies of correspondence should be recorded on AIS or WISDOM. (H)</p> <p>The Personal Care and Support and ASC Finance teams should work together to produce clear guidance for managing credit balances including an escalation process for cases where the next of kin or beneficiaries cannot be traced. (M)</p> <p>If it is not possible to trace the next of kin or executors, balances of less than or equal to £500 should be transferred to the home's welfare fund. Where the deceased died without a will or any living relatives individual balances over £500 should be referred to TSoL. (M)</p>

¹ Audit Opinions

Effective	Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Some Improvement Needed	A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Major Improvement Needed	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
Unsatisfactory	Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.

² Audit Recommendations

Priority High (H) - major control weakness requiring immediate implementation of recommendation

Priority Medium (M) - existing procedures have a negative impact on internal control or the efficient use of resources

Priority Low (L) - recommendation represents good practice but its implementation is not fundamental to internal control