

# Final Internal Audit Report

## Adult Social Care - Transportation Costs: Recordkeeping and Allocation

### June 2024

Distribution: Corporate Director Adult Social Care (DASS & Caldicott Guardian)

Director of Adult Social Care Operations (Deputy DASS)

Head of Finance

Head of Independent Travel

Director of Finance (Deputy S151)

Corporate Director of Resources and S151 Officer (Final only)

Assurance Level	Issues Identified	
Substantial Assurance	Priority 1	0
	Priority 2	3
	Priority 3	1

#### Confidentiality and Disclosure Clause

This report ("Report") was prepared by Forvis Mazars LLP at the request of London Borough of Croydon and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

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Please refer to the Statement of Responsibility in Appendix 3 of this report for further information about responsibilities, limitations and confidentiality.

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**1. Introduction**

- 1.1 Under the Care Act 2016 (the Act), Croydon Council (the Council) has a responsibility for providing health and social care in the London Borough of Croydon. The Act details that local authorities must provide or arrange services that support those with 'eligible needs'.
- 1.2 Where it appears to the Council that an adult may have needs for care and support, the Council has a duty to carry out an assessment under section 9 of the Care Act 2014. If the Council is satisfied on the basis of the assessment that an adult does have needs for care and support, it must determine whether any of those needs meet the national eligibility criteria. If the adult does have needs which meet the eligibility criteria, the Council must consider what can be done to meet those needs and draw up a care and support plan setting out how a service user's eligible needs for care and support will be met.
- 1.3 The key aim of the 'Adult Social Care - Charging for Adult Social Care' policy is to ensure that where an adult is charged for care and support (including making a contribution to a personal budget), that they are not charged more than is reasonably practicable for them to afford and pay.
- 1.4 Depending on needs, transportation may be included within or added to care packages. Transportation may include the use of taxis or buses to attend day services, move between respite or residential care homes or hospital visits.
- 1.5 Service users contribute or pay the cost of their care based on their financial circumstances, determined through a financial assessment. The majority of costs relates to domiciliary or residential care, however other ancillary costs may be incurred.
- 1.6 While our review and testing were performed remotely, we were not able to obtain all relevant documents required to complete the review and which has therefore impacted on our testing. Further details are set out in Section 2 and 3 below.
- 1.7 The audit was undertaken as part of the agreed Internal Audit Plan for 2022/23. The objectives, approach and scope are contained in the Audit Terms of Reference at Appendix 1.

## 2. Key Issues

### Priority 2 Issues

There was a lack of clarity with respect to policies and procedures that supported the ASC transportation cost records and allocation process. **(Issue 1)**

Actions resulting from the ASC Transportation meeting with Team Managers were not assigned owners or deadlines. Furthermore, evidence of progress was requested but not provided. **(Issue 2)**

There was a lack of ownership and responsibility for recording and allocating transport costs, including identification of cost centres and transparency through both LiquidLogic and ContrOCC systems. **(Issue 3)**

The Priority 3 issue is included under Section 4 below.

### 3. Actions and Key Findings/Rationale

#### Control Area 1: Legislative, Organisation and Management Requirements

Priority	Action Proposed by Management	Detailed Finding/Rationale – Issue 1
2	<ul style="list-style-type: none"> <li>In terms of the policy, there is a Transport Policy which sets out all the steps a SW needs to consider before arranging for the Council to provide this service. This is based on the CLS model of other resources out there including using their own Motability vehicle.</li> <li>There is a referral/service request from for CTS/ASC use. Action: To be put on Tri-X</li> <li>The record of all journey's provided for ASC should be held by CTS. From, to, single person or shared, days per week, etc.</li> </ul>	<p><b><u>Expected Control</u></b></p> <p>Adult and Social Care (ASC) Transportation policies and procedures include sufficient guidelines on all relevant areas and indicates methods of recordkeeping and allocation of transportation cost methods. Roles and responsibilities of all relevant ASC Transportation process owners is defined.</p> <p><b><u>Issue/Finding</u></b></p> <p>Internal Audit requested policy documents relating to ASC transportation and related activities. The 'Adult Social Care Policy – Charging for Adult Social Care' ("ASC Charging Policy") and the 'Croydon Adult Social Care Travel Assistance' policies were provided for testing. A review of these policies found the following:</p> <ul style="list-style-type: none"> <li>Information relating to management and billing of Care Package Line Items (CPLI's), LiquidLogic Adult Social Care System (LAS) and Controcc were not detailed in the ASC Charging Policy.</li> <li>The Travel Assistance Policy did not include the following:             <ul style="list-style-type: none"> <li>- ASC transportation accounting and finance roles and responsibilities;</li> </ul> </li> </ul>

<p>As a result of these findings a task and finish group is being convened to review the current ASC Transport Policy and pathways.</p> <p>The reviewed policy will include updates on transport options and risk management.</p> <p>This will ensure clarity for all staff and robust financial monitoring. Once finalised the updated policy and associated procedures will be published on Tri-X. Associated training will be made available.</p> <p>This work is expected to be completed by June 24.</p> <p>Regular meetings will be scheduled moving forward post the completion of the work done by the Task &amp; Finish Group to regularly review ASC transportation policies &amp; procedures.</p>	<ul style="list-style-type: none"> <li>- Recharging and invoicing process (including indirect costs such as fuel, maintenance, etc.);</li> <li>- Management and reporting on ACS transportation cost centre budgets;</li> <li>- Challenge panel approval process and their roles and responsibilities; and</li> <li>- Tracking of Croydon Transport Service (CTS) referral requests with its associated supporting documents via social workers.</li> </ul> <p>Neither policy was subject to version control or included review dates.</p> <p>Through discussions with two process owners, the ASC Head of Service and the CTS Accountant, it was identified that they were not aware of the ‘Croydon Adult Social Care Travel Assistance Policy’.</p> <p>Finally, review of the policy documents provided found that there was not one single policy that provided direction and guidance to officers on the record keeping or allocation of transportation costs as part of service users care and support packages.</p> <p><b><u>Risk</u></b></p> <p>Officers may be unclear on the correct procedures causing transportation costs to not be recorded or allocated accurately or consistently. This may also result in undercharges to service users and inefficiency within service delivery.</p>
<p>Responsible Officer</p>	<p>Deadline</p>

Director of Adult Social Care Operations	30 June 2024	
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**Control Area 2: Identification and allocation of transportation methods**

Priority	Action Proposed by Management	Detailed Finding/Rationale – Issue 2
2	<p>Ensure that findings and resulting policy &amp; procedures amendments are uploaded on Tri X and cascaded to staff.</p> <p>This work is expected to be completed by June 24.</p> <p>Regular meetings will be scheduled moving forward post the completion of the work done by the Task &amp; Finish Group to regularly review ASC transportation charging policies.</p>	<p><b><u>Expected Control</u></b></p> <p>CTS provide a transport service for the Council, which should be used in the first instance as assurance over insurance and roadworthiness of vehicles is provided and suitable safeguarding checks are completed over the drivers. Use of another party for transportation should be properly substantiated and assurance gained over insurance, roadworthiness of vehicles and safeguarding of drivers.</p> <p>Regular meetings should take place between key services delivering ASC transportation in order to identify, record and accurately allocate transportation costs. Any actions resulting from these meetings should be recorded, tracked, updated and implemented in a timely manner.</p> <p><b><u>Issue/Finding</u></b></p> <p>Internal Audit reviewed the actions resulting from the ASC Transportation meeting with Team Managers that took place on 9 June 2022 and three main actions were agreed:</p> <ol style="list-style-type: none"> <li>1. An action related to the charging process for CTS transportation;</li> </ol>

		<p>2. ASC transportation pathways where first preference is to be conducted via CTS; and</p> <p>3. Full review of transport users and transport policy.</p> <p>A review of the minutes found that action owners were not assigned and actions did not have deadlines allocated to them.</p> <p>Furthermore, we requested but were not provided with evidence on the progress of these actions.</p>
Responsible Officer	Deadline	<u>Risk</u>
Director of Adult Social Care Operations	30 June 2024	Where CTS are not used, the Council may not have assurance over the vehicles and drivers which may result in service users being put at risk of accident or injury.



**Control Area 3: Recordkeeping and allocation of transportation methods**

Priority	Action Proposed by Management	Detailed Finding/Rationale - Issue 3
2	<ul style="list-style-type: none"> <li>• There is a budget held by CTS for ASC transport which all of the above would be called off against. It should only be once the budget has been exhausted that a journal to a cost centre would be made.</li> <li>• Potentially a CPLI FOR INFO ONLY could be added to the client record but again no process in TRIX for this.</li> <li>• We don't charge for transport, we never have from in the understanding of HoS in ASCH. Other boroughs, we understand do charge a nominal sum.</li> <li>• There is an issue with people not understanding the costs and charges. Because CTS quote their price which is called off against the budget</li> </ul>	<p><b><u>Expected Control</u></b></p> <p>Allocation of transportation costs should be accurately recorded within the appropriate cost centre and CPLI within LiquidLogic.</p> <p><b><u>Issue/Finding</u></b></p> <p>At the outset of the audit Internal Audit found that ASC transportation records and allocation did not have a single owner, instead there were multiple responsible officers and teams, including ASC Finance, CTS and the ASC team.</p> <p>Internal Audit requested evidence for a sample of 30 ASC transportation transactions in order to confirm the completeness and accuracy of records, but this evidence was not provided.</p> <p>We were also unable to conduct a walkthrough 'Controcc' system to test the process of allocating and billing for CPLIs due to officer availability. Therefore, we were unable to confirm that transportation costs were applied in a consistent manner.</p> <p>In addition, we found that the internal CTS recharging sheet did not clearly identify cost centre descriptions.</p> <p><b><u>Risk</u></b></p> <p>Inconsistent or incomplete transportation cost records causes unclear or inaccurate recording or allocation of these costs which results in costs not being properly captured and, where necessary, recharged.</p>

	<p>held by CTS. Some HoS have asked SW's to go out to source cheaper providers which then has a direct cost to the PoC budget. This, like the others needs to be written up.</p> <p>As a result of these findings a review by the new formed task and finish group of the ASC Charging policy in respect of Transport costs will commence and resulting policy &amp; procedure changes will be uploaded onto Tri-X.</p> <p>Any identified training/guidance will be put in place.</p> <p>Regular meetings will be scheduled moving forward post the completion of the work done by the Task &amp; Finish Group to regularly review ASC transportation policies &amp; procedures.</p>	
Responsible Officer	Deadline	

Director of Adult Social Care Operations	June 2024	
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**4. Priority 3 Findings**

**Control Area 4: Management oversight and reporting**

Action proposed by management:	Finding
<p>Outside of CTS transport costs are agreed via the Practice and Quality Assurance Panels.</p> <p>Data can be provided as to those applications and funding agreements.</p> <p><b><u>Responsible Officer:</u></b> Simon Robson</p> <p><b>Deadline:</b> This work is already being completed.</p>	<p><b>Expected Control</b> Transportation costs that are incurred outside of CTS should be reported periodically in order to ensure that risks, issues and costs have been adequately considered.</p> <p><b>Finding/Issue</b> Evidence of management reports produced and circulated that included ASC transportation costs was requested, but not provided.</p> <p>In addition, both the ‘Adult Social Care Policy - Charging for Adult Social Care’ and ‘Croydon Adult Social Care Travel Assistance Policy’ did not provide any guidance on reporting expectations.</p> <p><b>Risk</b> Lack of reporting and management oversight on transportation costs and related factors can lead to deteriorated quality of output and ineffective decision making. It can also lead to increased costs.</p>

## TERMS OF REFERENCE

### ASC Transportation Costs: Allocation and Recordkeeping

#### 1 INTRODUCTION

- 1.1 Under the Care Act 2016 (the Act), Croydon Council (the Council) has a responsibility for providing health and social care in the London Borough of Croydon. The Act details that local authorities must provide or arrange services that support those with 'eligible needs'.
- 1.2 Service users contribute or pay the cost of their care based on their financial circumstances, determined through a financial assessment. The majority of costs relates to domiciliary or residential care, however other ancillary costs may be incurred.
- 1.3 Depending on needs, transportation may be included within or added to care packages. Transportation may include the use of taxis or buses to attend day services, move between respite or residential care homes or hospital visits.
- 1.4 This audit is part of the agreed Internal Audit Plan for 2022/23.

#### 2 OBJECTIVES AND METHOD

- 2.1 The overall audit objective is to provide an objective independent opinion on the adequacy and effectiveness of controls / processes.
- 2.2 The audit will focus on each control / process being considered:
- Walkthrough the processes to consider the key controls;
  - Conduct sample testing of the identified key controls, and
  - Report on these accordingly.

#### 3. SCOPE

- 3.1 This audit included the following areas (and issues raised):

Control Areas/Risks	Issues Raised		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Legislative, Organisational and Management Requirements	0	1	0
Identification and allocation of transport methods	0	1	0
Recording keeping of transportation costs and	0	1	0





Control Areas/Risks	Issues Raised		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
service charges			
Management Oversight and Reporting	0	0	1
<b>Total</b>	<b>0</b>	<b>3</b>	<b>1</b>

**Appendix 2**

**Definitions for Audit Opinions and Identified Issues**

In order to assist management in using our reports:

We categorise our **audit assurance opinion** according to our overall assessment of the risk management system, effectiveness of the controls in place and the level of compliance with these controls and the action being taken to remedy significant findings or weaknesses.

	Full Assurance	There is a sound system of control designed to achieve the system objectives and the controls are constantly applied.
	Substantial Assurance	While there is basically a sound system of control to achieve the system objectives, there are weaknesses in the design or level of non-compliance of the controls which may put this achievement at risk.
	Limited Assurance	There are significant weaknesses in key areas of system controls and non-compliance that puts achieving the system objectives at risk.
	No Assurance	Controls are non-existent or extremely weak, leaving the system open to the high risk of error, abuse and reputational damage.

Priorities assigned to identified issues are based on the following criteria:

<b>Priority 1 (High)</b>	Fundamental control weaknesses that require immediate attention by management to action and mitigate significant exposure to risk.
<b>Priority 2 (Medium)</b>	Control weakness that still represent an exposure to risk and need to be addressed within a reasonable period.
<b>Priority 3 (Low)</b>	Although control weaknesses are considered to be relatively minor and low risk, still provides an opportunity for improvement. May also apply to areas considered to be of best practice that can improve for example the value for money of the review area.

## **Statement of Responsibility**

We take responsibility to London Borough of Croydon for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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