

Final Internal Audit Report

Shared Lives: Carer Recruitment

November 2024

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 Head of Business & Service Compliance (Audit Liaison Officer for ASCH)
 Shared Lives Team Manager
 Head of Finance, ASCH
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Assurance Level	Issues Identified	
Substantial	Priority 1	0
	Priority 2	1
	Priority 3	3

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. Shared Lives carers are individuals with one or more spare bedrooms to rent to vulnerable people through Croydon Council (Council) and support them to live more fulfilled lives in the community. The Shared Lives scheme allows the carer to become a main carer or an additional carer to a vulnerable adult or a family who is in need.
- 1.2. A Shared Lives carer can provide support for either; adults with learning disabilities, physical disabilities or mental health needs (individuals need to apply as a carer under the Shared Lives scheme); or homeless women who are pregnant or have a child under 3 (individuals need to apply as a carer under the Croydon Lodgings for Families (CLFF) scheme).
- 1.3. A Shared Lives carer can be an additional carer (supporting the main carer) to provide a consistent, quality service and care to the individual. Types of care offered by the carers are short term care, long term care and respite care. The carer's property should be up to a minimum standard and furnishing as detailed by the Council on their website.
- 1.4. Once an application has been made by individuals to become a carer, the Shared Lives Team will contact them to discuss the application and view the property. The assessment process is a self-assessment completed by that individual and a series of meetings with the individual. There is also a vetting process, which involves reference checks, financial due diligence and enhanced DBS. Successful applicants are put to an independent Shared Lives Panel once all the checks and references are back. The average timelines of this recruitment process is between three to six months.
- 1.5. Shared Lives carers receive a fee, and which are uplifted every financial year. The current rate for standard carer responsibilities in the 2024/25 Financial Year is £361.14 per week. If a person placed in the carer's home has additional needs, the Council pays the carer extra to accommodate for those. All fees are agreed through a Service Level Agreement (SLA) before placement.
- 1.6. The Council, as of July 2024, had 68 Shared Lives Carers who provided care to 123 Service Users. There was an occupancy rating of 83.67% (123 Service Users and 147 beds). The Council had a waiting list of 12 Service Users awaiting matching.
- 1.7. Whilst our review and testing were performed remotely, we have been able to obtain all relevant documents required to complete the review. However, we were unable to test the effectiveness of Shared Lives Panel approval process as there has not been any panel meetings since June 2020. There were three applications received between June 2020 and March 2023 which did not get processed due to reasons such as carer withdrawing the application and thus did not go through the panel approval process.
- 1.8. We were informed by the Shared Lives Manager that they are aware of issues with their application form, where there are no mandatory fields for applicants to complete, and their website, which does not reflect the efforts of marketing

put in through their teams' leaflets and merchandising. The Shared Lives team were working with the Council Web Team to mitigate these risks and resolve these issues.

- 1.9. The audit was undertaken as part of the agreed Internal Audit Plan for 2024/25. The objectives, approach and scope are contained in the Audit Terms of Reference at Appendix 1.

2. Key Issues

Priority 2 Issues

A sample of seven carer applications from May 2023 to June 2024 was tested and it was noted, in one case, that a mortgage check (to verify the financial position of the carer) had not been performed as management would expect. **(Issue 1)**

The Priority 3 findings are included under item 4 below.

3. Actions and Key Findings/Rationale

Control Area 4: Vetting process of carer’s property

Priority	Action Proposed by Management	Detailed Finding/Rationale – Issue 1				
2	<p>The team has been informed that a mortgage check is required for all placements whether this is for a new Shared Lives Carer applying for the first time to become a Shared Lives Carer or whether it is an additional carer taking over from an existing Shared Lives Main Carer or a deceased Shared Lives Main Carer.</p> <p>This has been added to the Croydon Shared Lives Policy and Procedures for potential new carers.</p>	<p>Expected Control</p> <p>Policies and Procedures for Potential Shared Lives Carers (dated May 2024) states that the Croydon Shared Lives scheme is responsible for obtaining the following from a potential Shared Lives carer:</p> <ul style="list-style-type: none"> confirmation that they have their landlord/ mortgage lenders permission to provide a Shared Lives arrangement at their address through Mortgage Lender Permission Form; and/or is not in arrears with their rent or mortgage through email confirmations with the mortgage lender. <p>Finding/Issue</p> <p>Examination of seven sample shared lives carer applications from May 2023 to June 2024 found that in one case, while an email had been sent to the applicant to confirm the mortgage status, a Mortgage Lender Permission Form signed by the mortgage lender and carer applicant and email confirmation with the mortgage lender to confirm that the carer was not in arrears with their rent or mortgage was not obtained by the Council.</p>				
	<table border="1"> <thead> <tr> <th>Responsible Officer</th> <th>Deadline</th> </tr> </thead> <tbody> <tr> <td>Head of Business Compliance & Early Intervention</td> <td>Complete</td> </tr> </tbody> </table>	Responsible Officer	Deadline	Head of Business Compliance & Early Intervention	Complete	<p>The Shared Lives Manager advised that the applicant’s mother had been the previous main carer and that a mortgage check as described above, was completed at that time. Furthermore, the new applicant became the main carer after the death of their mother and this case was handled sensitively due to its nature.</p>
Responsible Officer	Deadline					
Head of Business Compliance & Early Intervention	Complete					

		<p>Risk</p> <p>Where a formal mortgage check is not completed per the documented procedures for a new main carer application, there is a risk of failure to make mortgage payments by the main carer which may impact the stay of the service user and the Council financially.</p>
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4. Priority 3 Issues

Agreed action	Findings
<p><u>Control Area 1: Regulatory, Organisational and Management Requirements</u></p> <p><u>Action proposed by management:</u></p> <p>The Croydon Shared Lives Handbook was in the process of being renewed, and this was completed in August 2024.</p> <p>The Main Carer Holiday Absence and Support Payment Procedures has now also been updated to reflect current process. Copies of these are available upon request.</p> <p><u>Responsible Officer:</u> Head of Business Compliance & Early Intervention</p> <p><u>Deadline:</u> Complete</p>	<p>Expected Control</p> <p>Policies and procedures regarding Shared Lives are up to date, reflect management requirements and describe roles, responsibilities, and processes to follow and are reviewed annually.</p> <p>Finding/Issue</p> <p>A review of the Shared Lives Handbook (November 2018) and Main Carer Holiday Absence and Support Payment Procedure (2021) highlighted that these captured the documents' last review dates but had not been evidenced as reviewed since 2021. The Shared Lives Manager informed that these were in the process of being reviewed, however no changes were expected.</p> <p>Risk</p> <p>Where policies and procedures are not up to date there is a risk that they may not reflect the current process expected by management leading to inconsistencies and delays within the shared lives carer recruitment process.</p>
<p><u>Control Area 4: Vetting process of carer's property</u></p> <p><u>Action proposed by management:</u></p> <p>The Home Safety Check (HSC) has now been updated as follows to define the requirement for each of the service models within the scheme:</p> <ul style="list-style-type: none"> • <i>For SLMain Carers who are homeowners (Family Model) – a weekly visual check must</i> 	<p>Expected Control</p> <p>Template checklists regarding shared lives carer property checks reflect management expectations, expected documentation to be recorded and the responsibilities of the Coordinators and Managers.</p> <p>The Shared Lives team members have clarity on understanding the process outlined within the template checklists for properties.</p> <p>Finding/Issue</p>

Agreed action	Findings
<p><i>be conducted and recorded on “SL Scheme Weekly Safety Test Check Record”.</i></p> <ul style="list-style-type: none"> <i>For SLMain Carers living in rented accommodation - a 5 year Electrical Safety Certificate must be provided. (Note that for Shared Lives carers living in rented accommodation ensuring the safety of electrical installations would be their landlord’s responsibility)</i> <i>For all Supported Living Accommodation (rented or owned) - a 5 year Electrical Safety Certificate must be provided.</i> <p>The updated Home Safety Check has been communicated to all Shared Lives Carers/Householders as well as all staff members.</p> <p>Responsible Officer: Head of Business Compliance & Early Intervention</p> <p>Deadline: Complete</p>	<p>Within the Home Safety Check template (which is to be populated on the initial visit to the applicant’s property during the vetting process), it notes that the certificates for home electrics should be copied to the Shared Lives Coordinator during the initial visit. Shared Lives Manager explained that electrical certificates were not expected to be saved down but only recorded as seen within the Home Safety Check template. However, this clarification was not detailed in the Home Safety Check Template. Moreover, this expectation relates to the Supported Living service line rather than the Family Living model that the Shared Lives team operate to.</p> <p>Risk</p> <p>Where template checklists for shared lives properties do not reflect what is expected by management and does not define what is specifically expected for the Shared Lives Family Living model, there is a risk of inconsistency of what is documented leading to incorrect/ inconsistent processes being followed leading to errors/ missouts within data or delays in processing the applications.</p>
<p><u>Control Area 5: Vetting process of carer</u></p> <p><u>Action proposed by management:</u></p> <p>An email has been sent to the team for accurate record keeping and ensure that all documents, dates and conversation are saved on SP/LAS.</p>	<p>Expected Control</p> <p>The Council completes and uploads all documents and checklists regarding checks on the applicant on a timely basis on SharePoint.</p> <p>Finding/Issue</p>

Agreed action	Findings
<p>The SSL Coordinator raised this to all staff as part of the Agenda at the Team Meeting on 10 July 2024.</p> <p>The Assistant Shared Lives Coordinator has been managing this process and is responsible for emailing a spreadsheet for all DBS that need to be renewed a month in advance. All renewals/actions are recorded on SP and/or LAS.</p> <p>The team has been reminded that all records should be kept accurate and updated on the system that we used. These will also form part of discussions during supervision.</p> <p>Responsible Officer: Head of Business Compliance & Early Intervention</p> <p>Deadline: January 2025</p>	<p>Checks undertaken by the Council as part of the vetting process include those on DBS, references, health, living conditions and hobbies, relationships and completed mandatory training to be a carer.</p> <p>Examination of seven sample carer applications from May 2023 to June 2024 found that, in one case, the copy of DBS certificate within SharePoint was out of date (to be updated in 2021). The Shared Lives Manager informed us that there is an up-to-date version available however, it had not been uploaded on SharePoint.</p> <p>Risk</p> <p>Where DBS checks are not updated regularly within the system, there is a risk that management may not be aware of what is actually up to date or overdue leading to delays/ missouts in performing Right to Work checks which may have legal consequences.</p>

AUDIT TERMS OF REFERENCE

Shared Lives: Carer Recruitment

1. INTRODUCTION

- 1.1 Shared Lives carers are individuals in Croydon with one or more spare bedrooms to rent to vulnerable people through the Council and support them to live more fulfilled lives in our community. The Shared Lives scheme allows the carer to become a main carer or an additional carer to a vulnerable adult or a family who is in need. A Shared Lives carer can provide support for either:
- adults with learning disabilities, physical disabilities or mental health needs – individuals need to apply as a carer under the Shared Lives scheme; or
 - homeless women who are pregnant or have a child under 3 – individuals need to apply as a carer under the Croydon Lodgings for Families (CLFF) scheme.
- 1.2 A Shared Lives carer can be an additional carer (supporting the main carer) to provide a consistent, quality service and care to the individual. Types of care offered by the carers are short term care, long term care and respite care. The carer's property should be up to a minimum standard and furnishing as detailed by the Council on their website.
- 1.3 Once an application has been made by individuals for becoming a carer, the Shared Lives Team will contact them to discuss the application and view the property. The assessment process is a series of meetings with the individual, and a self-assessment completed by that individual. There is also a vetting process, which involves reference checks, financial due diligence and enhanced DBS. Successful applicants are put to an independent Shared Lives Panel once all the checks and references are back. The average timelines of this recruitment process is between 3-6 months.
- 1.4 The fees paid to the appointed Shared Lives carers are uplifted every financial year. The current rate for standard carer responsibilities is £361.14 per week. If a person placed in the carer's home has additional needs, the Council pays the carer extra to accommodate for those. All fees are agreed through a Service Level Agreement (SLA) before placement. As on 27 May 2024, the Council has 68 approved Shared Lives carers.
- 1.5 This audit was part of the agreed Internal Audit Plan for 2024/25.

2. OBJECTIVES AND METHOD

- 2.1 The overall audit objective was to provide an objective independent opinion on the adequacy and effectiveness of controls / processes.
- 2.2 The audit for each control / process being considered:
- Walked-through the processes to consider the key controls;
 - Conducted sample testing of the identified key controls, and
 - Reported on these accordingly.

3. SCOPE





3.1 This audit, focused on Shared Lives: Carer Recruitment, was undertaken as part of the 2024/25 Internal Audit Plan. The specific scope included the following areas and recommendations:

Control Areas/Risks	Issues Raised		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Regulatory, Organisational and Management Requirements	0	0	1
Attracting new Shared Lives Carers	0	0	0
Setting up/take on of the carer	0	0	0
Vetting process of carer's property	0	1	1
Vetting process of carer	0	0	1
Assessments and approval of applications	0	0	0
Initial reviews	0	0	0
Total	0	1	3

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:

Priority 1 (High)	Fundamental control weaknesses that require immediate attention by management to action and mitigate significant exposure to risk.
Priority 2 (Medium)	Control weakness that still represent an exposure to risk and need to be addressed within a reasonable period.
Priority 3 (Low)	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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