

Final Internal Audit Report

Financial Assessment: Timeliness 2023-24

September 2025

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Financial Assessments Manager
Head of Business & Service Compliance
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Corporate Director of Resources (Section 151 Officer)
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Assurance Level	Issues Identified	
Limited Assurance	Priority 1	1
	Priority 2	1
	Priority 3	0

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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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Executive Summary**1. Introduction**

- 1.1. Sections 14 and 17 of the Care Act 2014 provide a single legal framework for charging adults for social care and support. In this regard, Croydon Council (Council) published the 'Charging for Adult Social Care' Policy, which has applied from 8 April 2019. Its purpose 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. Thus, financial assessments should be completed where the Council thinks it would be entitled to charge for the care provided.
- 1.2. Financial assessments can be considered if there is no care package provided to a service user however, these cannot be approved and uploaded onto ContrOCC (the finance system for adult social care payments) until a care package line index (CPLI)/ care package from the Payments Team is created. The target timeframe from receiving the financial assessment request to updating the service users of the assessment outcome is 14 days.
- 1.3. Once a financial assessment has been completed, the necessary systems are required to be updated, and the service user notified promptly. As the proportion of care to be paid by the Council is dependent on the financial assessment being completed, payments to care providers are not made until the financial assessment is complete.
- 1.4. In 2020/21, there was an internal audit review of Financial Assessments: Charging Policy. The final report dated March 2021 had 'Limited Assurance' and four out of five issues raised were related to timeliness of financial assessments.
- 1.5. While this review and testing were performed remotely, all relevant documents required were obtained to complete the review.
- 1.6. This audit was undertaken as part of the agreed Internal Audit Plan for 2023/24. The objectives, approach and scope are contained in the Audit Terms of Reference at Appendix 1.

2. Key Issues

Priority 1 Issue

Examination of a data set of 580 completed financial assessments from the Financial Assessments report from Enterprise and ContrOCC from January 2023 to January 2024 found 157 instances where these were not completed within the 14 day timeframe. In-depth sample tests of 10 completed financial assessments and 10 completed re-assessments also found issues with timeliness. For example, five cases were found with delays ranging between from 15 and 361 days from the date the financial assessment form was received by the Financial Assessments Team to the date that the final outcome of the financial assessment was communicated to the client. **(Issue 2)**

Priority 2 Issues

Timelines of each sub-process within the entire process of financial assessment/ re-assessment were not defined in any of the Council's policies/ procedures. For example:

- acknowledgement and initiation of financial assessment from the date of such information being received,
- completion and review of financial assessment/ re-assessment from then date of initiation, and
- communication of the outcome to the service user from the date of completion of financial assessment/ re-assessment. **(Issue 1)**

There were no Priority 3 issues.

3. Actions and Key Findings/Rationale

Control Area 1: Legislative, Organisational and Management Requirements

Priority	Action Proposed by Management	Detailed Finding/Rationale - Issue 1
2	<p>It is acknowledged and agreed that the Council does not have a defined timeline for each of the sub processes that covers the start to end resident finance journey resulting in the completion of a financial assessment and communication of outcomes to our residents and providers. This is due to several factors; 1) New system implementation during a pandemic and cost of living crisis which brought other work priorities and 2) Because every financial assessment, to a certain extent, has its own set of circumstances and we cannot possibly put an unknown timeline against each case when they vary in need so much. The 14-day turnaround noted within the Information and Processes Procedure (Jan 24) is in reference to tasks within the gift of</p>	<p>Expected Control</p> <p>The Council has defined timelines for each sub-process within the entire process of the financial assessment/ re-assessment. These sub processes could include:</p> <ul style="list-style-type: none"> • Acknowledgement and initiation of the financial assessment/reassessment from the date the information was received; • Completion and review of the financial assessment/ re-assessment from when it was initiated; and • Communication of the outcome to the service user from the date of completion. <p>Issue/Finding</p> <p>A review of the Council's Adult Social Care Policy – Charging for Adult Social Care (April 2023) found that the financial assessments/ re-assessments can be performed/ reviewed at any time and in particular:</p> <ul style="list-style-type: none"> • Annually at the start of each financial year; • following a change in the person's financial circumstances; • following a change in care setting from or to a care home; or • where a person feels their contribution has not been calculated properly. <p>A review of the Financial Assessment Team - Information and Processes (January 2024) procedure also noted that the financial assessment officers should have a turnaround of 14 working days to complete financial assessments.</p>

scope of the financial assessment officer role and does not reference consequential timelines for sub processes that fall outside of the financial assessment officer role/scope of work.

Action:

To set standardised expectations regarding timelines of the whole end to end process of the customer finance journey that results in a confirmed and communicated financial assessment, Joint working with the policy improvement team and ASC HoS / Managers will be required. This is to ensure this piece of work is both realistic and beneficial, aiding and supporting expectation and understanding of implications.

The timelines set will need to be caveated, as each case brings its own set of circumstances. However, this will help practitioners involved at the various stages of the resident's finance journey, to understand expectation and implication if various tasks are not completed at each fundamental stage. This piece of work sits nicely along side

However, it was noted that timelines of their sub-process within the entire process of financial assessment/ re-assessment were not defined in any policies or procedures reviewed.

Risk

Absence of detailed timeframes and monitoring against those targets may lead to lack of identification of bottlenecks within the processes and its causes thereby resulting in delays/ inefficiencies within the process.

the Finance Journey Presentation of Key Messages that was rolled out last year and will continue to be shared with those in ASC. It also sits within the remit of the work identified for the CQC Assurance Improvement Plan. However, it is important for Audit to acknowledge that putting a 'standardised' timeline in place is, to some extent, not realistic for all cases.

Responsible Officer	Deadline
Head of Business Compliance & Early Intervention / Team Manager	November 2024

Control Area 2,3&4. Requests and completion for Financial Assessments and Financial Re-assessments

Priority	Action Proposed by Management	Detailed Finding/Rationale - Issue 2
1	<p>A lot of time was spent responding to questions and gathering data for this audit by myself and colleagues in the financial assessment team. Based on findings at that time, there were no heightened concerns found. There were of course gaps, and imperfections as noted. The Controcc system and Financial Assessment, re-assessment process is complex, and as explained during the audit, the data capture is not perfect nor complete and can easily be misunderstood without full understanding.</p> <p>To help with clarity and to enhance learning and provide re-assurance, it would be great to have customer ID numbers for the sample cases numbered 1 – 11 to help understand / give clarity to the findings. Please can these be sent to me to help with action plans. However ahead of IDs for sample</p>	<p>Expected Control</p> <p>Financial assessments are completed within a 14-working day period, as defined in the Financial Assessment Team - Information and Processes (January 2024) procedure.</p> <p>These 14 day timelines are evaluated and redefined by the Financial Assessment Team to factor in exceptions to the norm, such as complexity of the cases and information flow across other teams involved in providing care packages to minimise the delays.</p> <p>Financial Assessment timeliness are analysed periodically to identify delays and root causes of such delays to mitigate such causes and streamline the process.</p> <p>Finding/Issue</p> <p>Data analysis on 580 financial assessments completed per the Financial Assessments report from Enterprise and ContrOCC from January 2023 to January 2024 found that there were:</p> <ol style="list-style-type: none"> 1. 157 instances where the financial assessments were not completed within 14 days; 2. 23 cases where the date of the financial assessment was absent; and 3. One case where ContrOCC was updated with outcomes of the assessment before the assessment was completed. <p>In-depth testing of a sample of 10 completed financial assessments selected from the Financial Assessments report from Enterprise and ContrOCC from January 2023 to January 2024 found the following (in some instances the same case has multiple exceptions, as such the total number of cases appears higher than 10):</p>

cases the following responses can be provided;

1. Whilst not perfect, this also suggests that 73% of financial assessments were completed within 14 days. Given the dependencies and complexities that surround the start to end finance journey that results in the completion of a financial assessment, this is, in my view, a good rate. Also refer to response to question 4.
2. The system does not allow us to have an absent FA date, so understanding of these cases would be good learning / opportunity for clarity. Where a financial assessment is calculated through application of a band (standard assessment type with automatic outcomes, i.e. full cost due to non-disclosure) the system does not provide a 'created date'. These cases fall into this remit. It is worth noting that an audit trail is always available by clicking on file, then audit trail.

4. Five cases with delays ranging between 15-319 days from the date the financial assessment form was received by the Financial Assessments Team to the date that the final outcome of the financial assessment was communicated to the client;
5. One case where two different financial assessment forms had been used to create the financial assessment outcome;
6. Two cases where the financial assessment outcome was uploaded onto ContrOCC before the financial assessment form had been received;
7. Three cases of delay ranging between 16-361 days from the date when financial assessment form was received to the date it was uploaded in ContrOCC.
8. One case where ContrOCC was updated after the outcomes had been communicated to the service user; and
9. One case where the financial assessment was undertaken however, no evidence was found of the service user submitting the required information/ completing the assessment form.

A sample of 10 completed financial re-assessments from 1 January 2023 to 23 January 2024 found the following exceptions:

10. In two cases, timeliness could not be tested as the dates for the outcome letter being issued to the service user and the subsequent request for a financial re-assessment were not captured in the system;
11. In three cases, there were significant gaps between when the initial request for a financial assessment was made and when the re-assessment was actually conducted. For example, in one of these cases, the re-assessment was requested on 7 July 2022, and the re-assessment was completed on 27 June 2023.

The Financial Assessments Team Manager advised that the delays were often due to having to wait for information from other teams such as waiting for the Care Package Line Index (CPLI) to be updated by the Payments Team, waiting for social workers to approve care packages for

3. The case ID number is required for clarity, however, if we hold consent for a Department of Work and Pensions check on DWP income or for example the care manager has confirmed with the client during the care assessment that they have savings above £23,250 and we have auditable information to justify this, it could be that a financial assessment is completed based on information received in these circumstances. This also applied to comment 9.
4. In most cases reviewed with for audit questions, it was found that delays in the loading of a CPLI with applicable dates to service delivery and budgetary approval where the reason a financial assessment could not be completed.
5. This can happen. For example, a client has been assessed for non-residential services and moves to a temporary or permanent residential service setting, we always make use of

service users and waiting on getting the information from the residents or the case, which is within court proceedings.

Through further discussion with the Manager and Head of Business and Service Compliance it was noted that the different teams within the Adult and Social Care Health Directorate do not communicate/ discuss the impact of their work/ processes on each other's work/ processes where different teams are working as part of providing care packages. Thus, the teams are unaware of the impact of delays caused by other teams.

Risk

Financial assessments are not completed within the 14-day timeframe, leading to delays in the Council charging for the care provided to service users.

financial assessment information available to us to help speed up the assessment process and sometimes if there are gaps in information needed, or the data on file is more than 12 months old, then another updated form will be requested.

6. See response to 2. Above.
7. See response to 4. Above.
8. Please provide the ID reference so that a response to this enquiry can be given. However, there are several valid reasons why this may happen including as detailed in response 2 above.
9. Please provide the ID case number so an investigation into this specific case but please also refer to response 3 above.
10. Please provide IDs for these 2 cases so an investigation and response can be provided, thank you
11. This may be a misinterpretation of data. Please provide ID numbers so

an investigation and response can be provided. If a client has a service provision in place, a review would automatically have taken place in April of each year.

Action:

A review of the 14-day timeline in regard to its context within the Information and Processes procedure (Jan 24) is required, and work in this regard will sit within the work to be conducted as set out in issue 3 above. 14 days for a measure of start to end finance journeys for residents is not a realistic measure and has been applied to a scope of work for which it was not intended. The caveat to this timeline being, if all elements are in place, 14 days is a reasonable turnaround measure from the start of a resident's finance journey to completion of the financial assessment outcome. However, as explained, that was not the intended measure.

When IDs for sample findings are provided by the Auditors, investigation to enable a response with a view to address issues or

<p>risk will be addressed through the review of processes and practice guidance's currently in place.</p> <p>To work with Senior Officers within the financial assessments team and Performance Officers for ASC to initiate and complete a project to review and identify enhanced data capture to help produce a more robust data set for analysis of timeliness of the financial assessment's steps specifically.</p>		
Responsible Officer	Deadline	
Head of Business Compliance & Early Intervention / Team Manager	November 2024	
<p>Internal Audit Comment:</p> <p>We have provided the ID case number of the exception cases highlighted in the finding as requested.</p>		

AUDIT TERMS OF REFERENCE

Financial Assessment: Timeliness

1. INTRODUCTION

- 1.1 Sections 14 and 17 of the Care Act 2014 provide a single legal framework for charging for adult social care and support. In this regard, the Council has published the 'Charging for Adult Social Care' Policy, which 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. Thus, financial assessments should be completed where the Council thinks it would be entitled to charge for the care provided.
- 1.2 Once a financial assessment has been completed, the necessary systems should be updated, and the service user notified promptly. Because the proportion of care to be paid by the Council is dependent on the financial assessment being completed, payments to care providers are not made until the financial assessment is complete.
- 1.3 The 'Charging for Adult Social Care' Policy applies from 8 April 2019 and supersedes all adult social care charging policies practiced before this date; namely, the LBC 01 April 2015 Care Act Charging Policy, the LBC Fairer Contributions Policy and the national Charging for Residential Accommodation Guide (CRAG).
- 1.4 In 2020/21, there was an internal audit review of Financial Assessments: Charging Policy. The final report dated March 2021 had 'Limited Assurance' and four out of five issues raised were related to timeliness of such assessments.
- 1.5 This audit is part of the agreed Internal Audit Plan for 2023/24.

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 for each controls / 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, focused on Financial Assessments - Timeliness was undertaken as part of the 2023/24 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)
Legislative, Organisational and Management Requirements	0	1	0
Requests for Financial Assessments	1	0	0
Completion of Financial Assessments		0	0
Financial Re-assessments		0	0
Total	1	1	0

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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