

GWYNEDD COUNCIL

COMMITTEE	AUDIT COMMITTEE
DATE	18 DECEMBER 2008
TITLE	OUTPUT OF THE INTERNAL AUDIT SECTION – MENTAL HEALTH – SUPPORTED ACCOMMODATION
PURPOSE OF REPORT	TO CONSIDER A PRÉCIS OF THE INTERNAL AUDIT REPORT, AT THE REQUEST OF THE CHAIR AND VICE-CHAIR
AUTHOR	DEWI MORGAN, SENIOR MANAGER AUDIT & RISK
ACTION	TO RECEIVE THE REPORT, COMMENT ON THE CONTENTS AND SUPPORT THE RECOMMENDATIONS THAT HAVE ALREADY BEEN PRESENTED TO SERVICES FOR IMPLEMENTATION

1. INTRODUCTION

- 1.1 Following consideration of the internal audit reports published during the period from 1st June 2008 and 31st August 2008 (see item 5(b)), the Committee's Chair and Vice-Chair have requested that officers from the Care Directorate attend the meeting in order to respond to any questions that arise from the "Mental Health – Supported Accommodation" internal audit report.
- 1.2 A précis of the internal audit report is contained in the appendix.

2. RECOMMENDATION

- 2.1 The Committee is requested to accept the précis of the internal audit report, comment on the contents in accordance with members' wishes, and support the recommendations that have already been presented to Care Directorate managers for implementation.

**MENTAL HEALTH – SUPPORTED ACCOMMODATION
Care Directorate**

Purpose of the Audit

Ensure that payments made are correct and in accordance with the individual service contracts for the financial year 2007/08.

Scope of the Audit

To audit a sample of relevant transactions to the principal suppliers that provide a service to Mental Health clients who stay within supported accommodation.

Main Findings

Audit tests were undertaken on 17 areas of internal control. The tests showed that good internal controls exist in eight of these areas, with three areas no longer relevant. The main findings are as follows:

- A contract is not in place between the Council and one of the main suppliers.
- The Mental Health Service is expected to undertake a review of the quality of service obtained from suppliers. However, there is no evidence that this is happening. Further, as a result of this monitoring reports are not sent to the Contracts Unit.
- Within the invoice certification process there is an assumption that the service has been received. Further, there is no financial portfolio for the individuals as with Learning Disabilities Supported Accommodation, which creates an inconsistency across the Social Services. The financial portfolio is the source that can be used to verify the invoices.
- There are concerns, particularly regarding Dwyfor area, about the possible lack of separation of duties in raising orders and paying invoices.
- It is expected that any client for whom Section 117 of the Mental Health Act 1983 is not pertinent is assessed by the Charging Policy Section. The Service Manager explained that only one client was not subject to “Section 117”, and that they had not been assessed.
- The Service Manager receives quarterly expenditure / income reports from the service Accountant. Since underspend on the Residential Scheme has financed the overspend on the Supported Accommodation budget in the last two financial years, the Supported Accommodation budget does not therefore accurately reflect the true expected cost for the financial year.

Audit Opinion

(C) The audit opinion is that assurance of financial propriety cannot be given in the arrangements for administrating Supported Accommodation payments as the controls in place cannot be relied upon. The main recommendations noted in the action plan and requiring prompt consideration are as follows:

- **Service Level Agreements should be in place with consistent terms for the relevant providers;**
- **Regular written reviews of each service received should be undertaken;**
- **A copy of each review should be sent to the Contracts Unit;**
- **A financial portfolio for each individual should be created to ensure that the invoices received are correct and in accordance with that agreed;**
- **Appropriate separation of duties between ordering and payment certification should be in place;**
- **Any client who is not subject to Section 117 of the Mental Health Act should be given a fee policy assessment.**
- **The budget should reflect the expected costs for the year.**