

## Internal Audit



### Patient Funds – Adults with Incapacity Arrangements

November 2019

#### Internal Audit Assurance assessment:

Objective One	Objective Two	Objective Three
Moderate Assurance	Limited Assurance	Moderate Assurance

#### Timetable

Date closing meeting held: 23 October 2019

Date draft report issued: 24 October 2019

Date management comments received: 13 November 2019

Date Final report issued: 13 November 2019

Date presented to Audit and Risk Committee: 25 November 2019

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## 1. Introduction

- 1.1 The Standing Financial Instructions (SFIs) set out NHS Lothian's responsibility to provide safe custody for money and other personal property handed in by patients who are not able to manage them effectively themselves, e.g. adults with incapacity.
- 1.2 Clinical staff can also apply for a corporate appointeeship if they feel the patient is unable to manage their own financial affairs. This allows for control of only Department of Work and Pensions (DWP) benefits. A corporate appointeeship should be used when a person is currently not able to deal with financial affairs and can be short term or long term. If a patient has assets out with DWP benefits that need financial management then applying for powers under Part 4 of the Adults with Incapacity (Scotland) Act 2000 ("the Act") should be considered.
- 1.3 The Act allows supervisory bodies, including the NHS, to manage a limited amount of funds and property of residents who are unable to do this for themselves and have no one else available to do so.
- 1.4 The process for applying for powers under Part 4 of the Act and corporate appointeeship is set out within the *Patient Funds and Valuables* Procedures and includes consideration of all other less restrictive alternatives and if there is a relative or other guardian who could act on the patient's behalf.
- 1.5 The Code of Practice for Supervisory Bodies under Part 4 of the Act ("The Code") sets out the detailed principles, rules and guidelines which should be followed by supervisory bodies, including the NHS, in meeting obligations for adults with incapacity

### Scope

- 1.5 The audit reviewed the processes in place to apply for corporate appointeeship or powers under Part 4 of the Act, including how a decision to apply was reached and what alternative solutions were sought. We reviewed the governance in place for managing patient's funds once appointeeship/additional powers have been granted, including who is involved in decisions and what records are maintained, ensuring procedures align to the Code. Additionally, we considered the process to pass authority over financial affairs to an appropriate party or back to the patient once a patient is discharged from NHS Lothian care or incapacity ceases.

### Acknowledgements

- 1.6 We would like to thank all staff consulted during this review for their assistance and cooperation.

## 2. Executive Summary

### Summary of Findings

2.1 The table below summarises our assessment of the adequacy and effectiveness of the controls in place to meet each of the objectives agreed for this audit. Definitions of the ratings applied to each action are set out in Appendix 3.

No.	Control Objectives	Assurance Level	Number of Findings			
			Critical	High	Medium	Low
1	There is a clear process in place for applying for a corporate appointeeship/ powers under Part 4 of the Act which is followed and documented	Moderate Assurance	-	-	3	-
2	Once corporate appointeeship or powers are granted, there is a clear process for managing funds, including decision making	Limited Assurance	-	1	1	-
3	When residency or incapacity ceases, other arrangements are made for the management of patient funds are put in place	Moderate Assurance	-	-	1	-
<b>TOTAL</b>			-	1	5	-

## Conclusion

- 2.2 The use of the Trojan patient funds management system allows staff to monitor transactions and report information to management. While we have noted effective controls around the completion and storage of application forms, there should be a comprehensive review of the procedures to ensure that all patients eligible for AWI powers or corporate appointeeship are being managed appropriately.
- 2.3 Also, we have been unable to obtain all information requested for review and this has been noted as a reportable finding within the Management Action Plan.
- 2.4 Furthermore, while this review has focussed on the controls in place for patients with incapacity within REAS, management are advised to consider arrangements for those patients being treated through the HSCPs and where there are similar circumstances.

## Main findings

- 2.5 Within REAS, all instances of corporate appointeeship are supported by application forms completed and signed-off by the relevant consultant. Once completed, they are scanned and held electronically by staff in the Patients Funds Team based at the Royal Edinburgh Hospital, along with documentation sent to and received from the Department of Work and Pensions.
- 2.6 All cash withdrawals are made using the Patient's Funds and Valuables Withdrawals form, which are signed off by two members of staff prior to the release of any cash to a patient. All cash transactions are recorded and available for review through the Trojan electronic patient funds system.
- 2.7 At the start of each month, the Patient Funds Officer distributes to the Financial Controller, Service Manager (Welfare Services) and REH Clinical Director a list of all patients currently held in the system, along with their balances.
- 2.8 We identified six issues / improvement opportunities during this review:

### High Rating

- Delays occurred in confirming that the relevant documentation had been completed and was in place for the four patients recorded as AWI. Documentation, once received, had been completed however this was dated October 2019. For the four individuals they were the Certificate of Incapacity and Dispense with Intimation forms. However, they have been receiving treatment under AWI for some time, indicating that the forms had been completed retrospectively and in response only to audit requests. Similarly, we have been unable to confirm that there has been a review of patients' withdrawal amounts that conforms to the guidance for AWI and corporate appointeeship patients

### Medium Rating

- It is not necessarily good practice to have AWI and corporate appointeeship guidance incorporated into the Patients Funds and Valuables Procedures. For example, review of the Procedures and discussion with clinical staff have noted that the Procedures do not outline the process after the application for corporate appointeeship has been made, including how the decision should be recorded and whether there is a mechanism to enter this on TRAK. This has the potential to be a complex and difficult process, which would benefit from comprehensive guidance advising staff on the assessment of a patient's capability, and how their funds are managed once appointeeship or powers under the Act have been granted.
- Review of the guidance held online has noted that some information is recorded as incomplete or out of date. For example under *Part IV – Adults with Incapacity part IV guidance and flowchart* records four general principles, however the Act has a fourth principle, minimum intervention, which is not recorded. Elsewhere, the *Corporate Appointeeship Guidance and Flowchart* section does not have a flowchart included, recorded instead as 'under development'.
- The application form and guidance makes no reference to the suitability of relatives that wish to take on appointeeship. Also, documentation currently in use does not require the signature of any family members accepting appointeeship, or not.
- Review of the current balances held on behalf of patients has indicated there are no procedures currently in place to assign responsibility for the ongoing review of patients' funds. There is no evidence to demonstrate that the necessary action had been taken once the amounts held on behalf of patients reach a certain threshold.
- Review of the information held for each patient in the Trojan patient funds management system showed that the movement of funds had occurred for some patients after the date of discharge. Also, we have been unable to adequately confirm that a multidisciplinary care team has for patient about to be discharged considered the individual's ability to manage their own affairs, which is a requirement of the Patients Funds and Valuable Procedures.

Further details of these points are set out in the Management Action Plan.

### 3. Management Action Plan

<b>Control objective 1: There is a clear process in place for applying for corporate appointeeship / powers under part IV of the Act, which is followed and documented</b>	
<b>Finding 1: Guidance available to staff online is incomplete or out of date</b> <b>Associated risk of not achieving the control objective: NHS Lothian Staff are not clear on when to apply for appointeeship or additional powers and how to do this</b>	<b>Medium</b>
<p><u>Background</u></p> <p>Guidance is available through the Managing Patient's Funds page of NHS Lothian's Finance Online intranet site. While the pages have been designed to provide staff with guidance over how NHS Lothian staff administers patients private funds, there are two separate pages covering part IV and applications for corporate appointeeship.</p> <p><u>Observation and Risk</u></p> <p>Review of the guidance held online has noted that some information recorded is incomplete or out of date. For example under <i>Part IV - Adults with Incapacity (AWI) part IV guidance and flowchart</i> records four general principles, however the Act has a fifth principle, minimum intervention, which is not recorded.</p> <p>Also the Act's two codes of practice for managers and supervisory bodies are not included with the <i>Overview</i> section, despite them being a useful tool for staff to refer to when managing patients' funds under Part IV of the Act. The flowchart is not in place, recorded instead as 'under development'.</p> <p>Staff are also advised through this section to return documentation to Deaconess House.</p> <p>Elsewhere, the <i>Corporate Appointeeship Guidance and Flowchart</i> section contains guidance which has been superseded by guidance provided by staff with the Patient Funds office at the REH, which itself hasn't been subject to formal review since October 2016. The flowchart is not in place, recorded instead as 'under development'.</p> <p>Without a comprehensive suite of electronic guidance around applying for powers under part IV of the Act, or corporate appointeeship, there is a risk that NHS Lothian Staff are not clear on when to apply for appointeeship or additional powers and how to do this.</p> <p><u>Recommendation</u></p> <p>Management should review the guidance available to staff through the Managing Patient's Funds intranet Pages.</p> <p>Guidance still considered valid should be updated and a timescale set for this and the inclusion of procedures yet to be developed.</p>	

### Management Response

REAS have commissioned a review of NHS Lothian Corporate Appointeeship / Adults with Incapacity (AWI) and have set up a Short Life Working Group who have been undertaking a “Whole of Process” review. A draft process has already been written and a full project plan has been developed to highlight key milestones and targets for implementation. This will include the full life cycle process and involve the following disciplines and partner agencies:

- NHS Lothian Finance
- Medical
- Clinical
- Management
- NHS Lothian Legal Services
- Social Work (local Authority)
- Mental Welfare Commission
- Office of the Public Guardian
- Department of Work and Pensions
- Patients Council

Once ratified and approved, the new process will be updated on the NHS Lothian Internet and Intranet pages. The Intranet will provide templates and tools that staff can download. There will also be accountabilities and responsibilities of services throughout the life cycle.

The Internet pages provide detail of the process and include guidance and advice with links to partner agencies.

The new process which will be available by 31 March 2020 will include a comprehensive suite of electronic guidance for staff, external partners, patients and their families and carers.

### Management Action

Please refer to the Project Management Plan for implementation of the new NHS Lothian process.

The actions undertaken by management on areas of improvement as per recommendations within this finding are as follows:

1. Update Finance Webpage to confirm that the process is currently under review and an update will be available by 31 March 2020. Contact Details for Short Life Working Group (SLWG) members will be updated should anyone require guidance or support prior to completion of review. This will be done by 30 November 2019.
2. Reference to Deaconess House online to be removed and update provide by 30 November 2019.
3. As part of the Whole of Life process review, the guidance provided to patients funds will be updated and training undertaken by the SLWG members for Patients Funds staff by 31 March 2020.
4. SLWG will also provide NHS Lothian staff with process overview and guidance with



training sessions available for staff. This will be completed by 31 March 2019.

Responsibility:

Action 1 - Financial Controller

Action 2 – Financial Controller

Action 3 - Clinical Director/Chair of SLWG

Action 4 - Clinical Director/Chair of SLWG

Target date:

30 November 2019

30 November 2019

31 March 2020

31 March 2020

**Control objective 1: There is a clear process in place for applying for corporate appointeeship / powers under part IV of the Act, which is followed and documented**

**Finding 2: Written procedures are not effective in advising staff on the application process and the appropriate management of funds**

**Associated risk of not achieving the control objective: Decisions around the granting of additional powers or corporate appointeeship are not clear and effectively communicated**

**Medium**

Background

NHS Lothian’s Patients Funds and Valuables Procedures have been created to ‘provide clear instruction for the handling of all situations relating to patients’ private funds and valuables held by NHS Lothian’.

While the Procedures deal primarily with the physical security of patients’ funds and valuables, including the return and withdrawal of patient funds, there is mention within the procedures of the actions required to confirm the AWI status of patients upon admission, or whether corporate appointeeship is necessary. The procedures also record the actions required in managing the funds for patients who are subject to AWI powers or corporate appointeeship.

Observation and Risk

Discussions between Internal Audit and NHS Lothian staff have concluded that it is not necessarily good practice to have AWI and corporate appointeeship guidance incorporated into the Procedures. For example, the Procedures do not outline the process after the application for corporate appointeeship has been made, including how the decision should be recorded and whether there is a mechanism to enter this on TRAK. This has the potential to be a complex and difficult process, which would benefit from comprehensive guidance which includes advising staff on the assessment of a patient’s capability, and how their funds are managed once appointeeship or powers under the Act are granted.

Without appropriate procedures there is a risk that applications for appointeeship or additional powers are being made by NHS Lothian staff unnecessarily, or there is insufficient consultation between NHS Lothian and other bodies (such as local authorities and the Mental Welfare Commission) in agreeing responsibility for the care of individuals who are subject to short, medium and long term treatment.

Recommendation

Management should embark on a comprehensive review of the AWI and corporate appointeeship process. This should include the development of a set of procedures that ensure appropriate contact with relevant persons and bodies throughout the application process and the responsibilities of staff once corporate appointeeship has been granted.

Management Response

As part of the review of the process by the SLWG, there will be a flowchart identifying the Whole of Life process overview which will include responsibilities and accountabilities of each service area. This will encompass the decisions on patient's capacity of managing their own finances and include critical points in the pathway where decisions are made following inclusion of multi-disciplinary teams and Families and Carers. There will also be an inclusion of how funds will be managed by NHS Lothian once applications for AWI / Corporate Appointeeship have been granted / approved.

Management Action

Please refer to the Project Management Plan for implementation of the new NHS Lothian process.

The actions undertaken by management on areas of improvement as per recommendations within this finding are as follows:

1. New procedure which has been drafted already includes the process of recording decisions made, Multidisciplinary agreements and critical points and responsibilities. This process will be implemented by 31 March 2020.
2. Comprehensive guidance and training for staff on the new process by 31 March 2020
3. Consultation with partner agencies on process, this will include:
  - Mental Welfare Commission
  - Local Authority
  - Office of Public Guardian
  - Patients Council

Responsibility:

Action 1 – Clinical Director/Chair of SLWG  
 Action 2 – Service Manager  
 Action 3 – Clinical Director/Chair of SLWG

Target date:

31 March 2020  
 31 March 2020  
 31 March 2020

**Control objective 1: There is a clear process in place for applying for corporate appointeeship / powers under part IV of the Act, which is followed and documented**

**Finding 3: The involvement of family members in the decision making process is not clearly recorded**

**Associated risk of not achieving the control objective: Appointeeship is given to individuals not fit to take on this role, or decisions around the granting of appointeeship to NHS Lothian are not supported by family members able to take on the role themselves**

**Medium**

Background

When a consultant deems a patient is incapable of handling their own financial affairs the family of the patient must be contacted for discussions regarding taking on this responsibility.

To demonstrate that this has been done, there is a sentence in the Application for DWP Corporate Appointeeship which states ‘this application is being made as there are either no relatives or relatives are unwilling to take on the Appointeeship for the patient’. With the consultant required to sign the form as confirmation.

Observation and Risk

However, the application form and guidance makes no reference to the suitability of relatives that wish to take on appointeeship. A person is not suitable to become an appointee if they:

- Are not likely to act in the person's best interest at all times.
- Are, or have recently been declared bankrupt.
- Lack capacity themselves.
- Are subject to drug treatment orders, or
- Are subject to orders under the Mental Health Act.

Also, documentation currently in use does not require the signature of any family members accepting appointeeship, or not.

While sample testing on 10 patients with corporate appointeeship granted within the last 16 months confirmed that all were supported by signed application forms, two of the forms used were of an older style, replaced in October 2016, and that do not make reference to patients’ relatives.

Without appropriate guidance on the appropriateness of family members taking on appointeeship, or documenting their decision. There is a risk that appointeeship is given to individuals not fit to take on this role, or decisions around the granting of appointeeship to NHS Lothian are not supported by family members able to take on the role themselves.

Recommendation

The application form for corporate appointeeship and accompanying guidance should be updated to include direction for staff on how to assess whether a relative is suitable to

become an appointee. Where possible, relatives should be given the opportunity to sign application forms where they are happy for NHS Lothian to act as appointee.

Management Response

Currently clinical teams carry out reviews of patients care. The patients are always invited to review meetings and invites are extended to carers and family. The review meetings include planning and support for patients to manage their finances with decisions being made in agreement and with inclusion of the patient. It is recognised that a more detailed checklist will be required to ensure that decisions and outcomes of these meetings are recorded accurately and consistently for all patients.

The SLWG will ensure that the observations and risks identified in this finding, will include a comprehensive checklist documenting the decision making process with a clear instruction on recording of key decisions and actions.

Work will also be undertaken by the SLWG to assess legal responsibilities of obtaining family sign off for carers / family members agreeing to accept Financial Responsibility for patient's finances. This will be included in patient's notes and on Trak with consistency of recording audits set up to monitor.

When family members are volunteering to accept responsibility of finances and the multi-disciplinary team identifies a risk, this will be mitigated by the multidisciplinary team using statutory measures for the local authority to gain financial guardianship.

Management Action

1. Creation of a comprehensive checklist to record decisions made relating to finances and a clear guidance on systems this is recorded in, ie Trojan and Trak. This will be drafted by 31 January 2020 for inclusion in the implementation of the new process by 31 March 2020
2. SLWG to investigate legal requirements for data recording and amend current documentation as required. This will include assessing the inclusion of documentation that is submitted to NHS Lothian Legal Services

Responsibility:

Action 1 – Clinical Director/Chair of SLWG

Action 2 – Clinical Director/Chair of SLWG

Target date:

31 March 2020

31 January 2020

**Control objective 2: Once corporate appointeeship or powers are granted, there is a clear process for managing funds, including decision making**

**Finding 4: It cannot be confirmed that current guidance is being followed**  
**Associated risk of not achieving the control objective: The granting of powers was unnecessary, or patients are able to spend their funds inappropriately**

**High**

Background

The AWI Code of Practice for Supervisory Bodies and Code of Practice for Managers describe the processes required to manage the financial affair of individuals.

For patients classified as AWI, it is necessary for a multidisciplinary care team to be convened and several documents to be completed:

- Certificate of Incapacity.
- Decision whether to dispense with intimation.
- Notice of intention to manage the financial affairs of a resident, and
- Certificate of Authority.

Also, the Patients Funds and Valuables Procedure advises that the amount of cash a patient can withdraw for personal reasons is subject to their account balance and the limits imposed on the maximum withdrawal allowed. Depending on whose authorisation is given. The procedures also advise that the appropriately authorised person and the patient should agree the amounts to be requested.

All weekly allowances should be reviewed on a regular basis. With those patients categorised as AWI directed by the Code of Practice to have their allowances formally reviewed through six monthly AWI meetings.

Observation and Risk

Delays occurred in confirming that the relevant documentation had been completed and was in place for the four patients recorded as AWI. Documentation, once received, had been completed however this was dated October 2019. For the four individuals they were the Certificate of Incapacity and Dispense with Intimation forms. However, they have been receiving treatment under AWI for some time, indicating that the forms had been completed retrospectively and in response only to audit requests. Similarly, we have been unable to confirm that there has been a review of patients' withdrawal amounts that conforms to the guidance for AWI and corporate appointeeship patients

Similarly, we have been unable to confirm that there has been a review of patients' withdrawal amounts that conforms to the guidance for AWI and Corporate Appointeeship patients.

Without appropriate confirmation of the completion of documentation and review of patients' financial activities there is a risk that the granting of powers was unnecessary, or that patients

are able to spend their funds inappropriately.

Recommendation

The difficulty in obtaining information requested can impact on the effectiveness of an internal audit review and the identification of any improvement opportunities.

Management is required to confirm the relevant documentation is in place for the AWI patients and that patients' withdrawal amounts are subject to review in line with relevant guidance.

Management Response

Reviews are undertaken weekly by the Clinical teams on financial allowances for AWI patients where NHS Lothian holds financial responsibility. The new process currently drafted by SLWG and due for implementation by 31 March 2020, provides staff with clear guidance on how and where to record decisions relating to finances and details of review discussion / actions relating to finances as well as documentation. The new process will also account for responsibility for NHS Lothian Finance Officer to review the outcomes of any new agreement on Trak and reflect this decision making process within Trojan.

REAS Service Manager and NHS Lothian Finance Manage have agreed to undertake a review of all REAS Corporate Appointee / AWI patients to ensure documentation is correct and identify any action required. The findings of this audit have been shared with the medical team responsible for completion of the appropriate documentation.

Management Action

1. Review of paperwork for cases audited
2. Review undertaken for all REAS Corporate Appointee / AWI patients to ensure appropriate paperwork is in place.

Responsibility:

Action 1 – Clinical Director

Action 2 – Service Manager

Target date:

30 November 2019

31 December 2019

**Control objective 2: Once corporate appointeeship or powers are granted, there is a clear process for managing funds, including decision making**

**Finding 5: NHS Lothian holds substantial amounts for patients, with no formal review**

**Associated risk of not achieving the control objective: Patients will be in receipt of benefits that they are not entitled to, or that responsibility for managing large sums does not sit with the appropriate bodies**

**Medium**

Background

Under the AWI code of practice, Managers are required to undertake regular reviews of the assets held on behalf of their patients. It is the Manager's responsibility to monitor any changes that occur relating to the resident's funds and account(s), and to ensure that the limit of the patient's assets that are managed does not exceed £10,000. Where the level of assets managed indicate that this may be likely, the manager should be particularly vigilant and advise the supervisory body accordingly in order to trigger the review earlier. In the event that the patient's assets do exceed £10,000 and the supervisory body does not consider it appropriate to consent to the manager to manage a higher limit, the possibility of seeking a guardianship order, under which a level of delegated authority to the authorised establishment may be arranged.

Further written authority is required to Manage any other matters with a greater value than £10,000. If it becomes apparent to the manager, after a Certificate of Authority has been issued or recently reviewed, that a patient's assets are or are likely to become greater than this within a short period of time, they should contact the supervisory body to discuss the appropriate course of action to take. The manager would be required to explain why the authorised establishment will best manage these matters, the alternatives that have been considered, and why these have been rejected.

While corporate appointeeship allows only the management of DWP benefits, there are capital limits which may affect any means tested benefit entitlement. With means tested benefits for people under pension credit age, less is paid once capital exceeds £6k.

Over pension credit age, less benefit is paid when capital exceeds £10k and when the upper limit of £16k is reached then entitlement to most means tested benefits will reduce to zero.

Observation and Risk

At the start of each month, the Patient Funds Officer emails the Financial Controller, REH Service Manager and REH Clinical Director a list of all AWI and corporate appointee patients, along with account balances for each patient, covering the previous three months.

As at 31 August 2019, 95 patients were recorded in the list as either AWI or corporate appointeeship. NHS Lothian holds funds for these individuals of approximately £710k.

Of the 95 patients, 14 have more than £16k of funds held by NHS Lothian, totalling £456k. With two patients having balances of more than £50k. Review of six patients with funds of



more than £30k each (totalling £243k) noted that some were in receipt of the following benefits:

- Pension Credit.
- Enhanced Employment Support Allowance.
- Disability Living Allowance, and
- Jobseekers Allowance.

While Disability Living Allowance is not a means tested benefit the other benefits can be affected by a person's assets, and it could mean that the DWP should be advised should any benefits be received in error.

However, there are no procedures currently in place to assign responsibility for the ongoing review of patients' funds and taking the necessary action once the amounts held on behalf of patients have reached a certain threshold.

Without appropriate review of the amount of money held on behalf of patients categorised as AWI or corporate appointeeship there is a risk that patients will be in receipt of benefits that they are not entitled to, or that responsibility for managing large sums does not sit with the appropriate bodies.

Recommendation

Management should implement procedures identifying appropriate staff with responsibility for the ongoing monitoring of patients' balances. Where necessary, the DWP should be contacted for a review of individual benefits and consideration given to passing responsibility for the management of funds to other persons.

Management Response

The process drafted by SLWG will include allocation of operational requirements and responsibilities within each service area and team. The Finance Controller and REAS Service Manager will ensure that this is reflected in the process and KPIs set within teams accordingly.

Currently the monthly list that is produced by Patients Funds is monitored by REAS Welfare Officers and support offered to clinical teams to manage finances. Multidisciplinary/review meetings attended by Welfare Officers and Service Manager when required.

Management Action

1. New process will assign ownership and responsibility of ongoing monitoring of patients funds and set out clear Key Performance Indicators (KPIs). This will incorporate checks that provide assurance that NHS Lothian are meeting legislative requirements. New process implemented by 31 March 2019.

Responsibility:

Target date:

Action 1 – Clinical Director, Chair of SLWG	31 March 2020
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**Control objective 3: When residency or incapacity ceases, other arrangements are made for the management of patient funds and put in place**

**Finding 6: NHS Lothian continues to manage patients funds after the patient has been discharged**  
**Associated risk of not achieving the control objective: NHS Lothian may be retaining the control of patient funds inappropriately, with the former patient unable to exercise a degree of independence around how their money is used**

**Medium**

Background

The Patients Funds and Valuables Procedures advise that a patient’s capacity to manage their financial affairs should be considered by the Multi-Disciplinary Review Team, as part of the care needs prior to discharge.

It is also a requirement that a notification of discharge form is completed (as with all patients), and corporate appointeeship responsibilities are passed promptly to the relevant body/individual.

Observation and Risk

Testing was carried out on a sample of 10 patients with corporate appointeeship and who had been discharged between the 18 March 2019 and 23 July 2019 to determine whether appointeeship had concluded and responsibility passed on.

Review of the information held for each patient in the Trojan patient funds management system showed that the movement of funds had occurred for each of the 10 patients during 26 August and 10 September. Additionally, notification of discharge funds could not be found by the patient’s funds office for two patients.

Also, we have been unable to adequately confirm that a multidisciplinary care team has for each of the patients considered the individual’s ability to manage their own affairs.

Without the prompt review of a patient’s situation prior to discharge and the appropriate steps taken in reassigning the management of their financial affairs, NHS Lothian may be retaining the control of patient funds inappropriately, with the former patient unable to exercise a degree of independence around how their money is used.

Recommendation

Management should remind staff that patients should not be held unnecessarily in the patient’s funds system once they have been discharged.

Discharge procedures should include a review of their ability to manage their own affairs and steps taken to assign corporate appointeeship elsewhere.

Management Response

Prior to discharge a Discharge Planning meetings takes place at which a review is undertaken by the Multi-Disciplinary team and a decisions will be made on the patient’s ability to manage their own Finances on discharge. If there is still a requirement, post discharge, for support to manage finances the local authority or family member will take on this role. It can take 12 weeks or over for Mental Health Social Work teams to complete the Corporate Appointee process. NHS Lothian will retain Corporate Appointeeship for this period until new arrangements are in place. This is agreed prior to discharge by the multi-disciplinary teams however requires to be recorded consistently. The development of the new process will ensure that this monitored in a consistent way with clear reporting guidelines.

Patient Funds have introduced an escalation process for Corporate Appointeeship still held by NHS Lothian post discharge.

Management Action

1. Reporting requirement to be added to the new process which highlights post discharge Corporate Appointeeship held by NHS Lothian.
2. Ongoing monitoring and escalation of Corporate Appointeeship held by NHS Lothian when patients are no longer inpatients (Patients Funds).
3. Clinical teams to ensure that they are recording decisions, agreements and action regarding finances. This will be included in the new process with clear guidelines on where to record details, when and by whom i.e., Trak and Trojan.

<u>Responsibility:</u>	<u>Target date:</u>
Action 1 – Clinical Director/Chair of SLWG	31 March 2020
Action 2 – Financial Controller	30 November 2019
Action 3 – Clinical Director/Chair of SLWG	31 March 2020

## 4. Internal Audit Follow-up Process

- 4.1 Approximately two weeks following issue of the final Internal Audit report, a member of the Audit Team will issue an 'evidence requirements' document for those reports where management actions have been agreed.
- 4.2 This document forms part of the follow up process and records what information should be provided to close off the management action.
- 4.3 The follow-up process is aligned with the meetings of the Board's Audit & Risk Committee. Audit Sponsors will be contacted on a quarterly basis with a request to provide the necessary evidence for those management actions that are likely to fall due before the next meeting of the Audit and Risk Committee.

## Appendix 1 – Staff Involved and Documents Reviewed

### Staff Involved

- Patient Funds Officers
- Financial Controller
- Consultant Psychiatrists
- Clinical Director – REH
- Treasury Team Leader
- Service Manager - REH

### Documents Reviewed

- Corporate Appointeeship Application forms & guidance
- Patients Funds and Valuables Procedures
- Extract from Trojan Patient funds system
- Notification of Discharge Forms
- Managing Patient Funds intranet pages
- AWI Code of Practice for Supervisory Bodies
- AWI Code of Practice for Managers
- Current appointee register
- Monitoring spreadsheets maintained by the Patients Funds Team
- Patients Funds & Valuables Withdrawal Forms

## Appendix 2 - Definition of Ratings

### Findings and management actions ratings

Finding Ratings	Definition
<b>Critical</b>	A fundamental failure or absence in the design or operating effectiveness of controls, which requires immediate attention
<b>High</b>	A key control failure has been identified which could be either due to a failure in the design or operating effectiveness. There are no compensating controls in place, and management should aim to implement controls within a calendar month of the review.
<b>Medium</b>	A control failure has been identified which could be either due to a failure in the design or operating effectiveness. Other controls in place partially mitigate the risk to the organisation, however management should look to implement controls to fully cover the risk identified.
<b>Low</b>	Minor non-compliance has been identified with the operating effectiveness of a control, however the design of the control is effective

## Report ratings and overall assurance provided

Report Ratings	Definition	When Internal Audit will award this level
<b>No assurance</b>	The Board cannot take any assurance from the audit findings. There remains a significant amount of residual risk.	The controls are not adequately designed and / or operating effectively and immediate management action is required as there remains a significant amount of residual risk (for instance one Critical finding or a number of High findings)
<b>Limited assurance</b>	The Board can take some assurance from the systems of control in place to achieve the control objective, but there remains a significant amount of residual risk which requires action to be taken.	<p>This may be used when:</p> <ul style="list-style-type: none"> <li>• There are known material weaknesses in key control areas.</li> <li>• It is known that there will have to be changes that are relevant to the control objective (e.g. due to a change in the law) and the impact has not been assessed and planned for.</li> </ul> <p>The controls are deficient in some aspects and require management action (for instance one 'high' finding and a number of other lower rated findings)</p>
<b>Moderate assurance</b>	The Board can take reasonable assurance that controls upon which the organisation relies to achieve the control objective are in the main suitably designed and effectively applied. There remains a moderate amount of residual risk.	<p>In most respects the "purpose" is being achieved. There are some areas where further action is required, and the residual risk is greater than "insignificant".</p> <p>The controls are largely effective and in most respects achieve their purpose with a limited number of findings which require management action (for instance a mix of 'medium' findings and 'low' findings)</p>
<b>Significant assurance</b>	<p>The Board can take reasonable assurance that the system(s) of control achieves or will achieve the control objective.</p> <p>There may be an insignificant amount of residual risk or none at all.</p>	<p>There is little evidence of system failure and the system appears to be robust and sustainable.</p> <p>The controls adequately mitigate the risk, or weaknesses are only minor (for instance a low number of findings which are all rated as 'low' or no findings)</p>