Internal Audit Guidebook No.7

Managing Service User Finance Incidents

INTERNAL AUDIT GUIDEBOOKS

1. **Recording Transactions in a Money Book**
2. **Safe Contents & Weekly Safe Checks Books**
3. **Prepaid, Equals, and Bank Cards**
4. **Corporate Floats**
5. **Archiving**
6. **Monthly Manager Checks**
7. **Managing Service User Finance Incidents**
8. **Finance in Your Services: Security, Accountability, and Transparency**
9. **Manager's Financial Guide**

Produced by the Internal Audit team. Need to get in contact?
You can reach us at: internal.audit@creativesupport.co.uk

TABLE OF CONTENTS

1 Indentifying and Categorising a Finance Incident - Flowchart

WHAT HAS HAPPENED?

A clerical or recording error has been identified

A policy breach has occurred

Money is lost or missing from a fund/account

Has the issue resulted in a financial loss?

Conduct a check of the service, the safe, the receipts and any other funds to confirm that the money cannot be accounted for elsewhere.

NO

YES

YES

Has this resolved the issue?

NO

Is the service user supported by Creative Support at all with their finances (formally or informally?)

Is the discrepancy a loss of £20.00 or more?

YES

NO

NO

YES

As Creative Support does not support this service user with their finances, there is no need to alert Internal Audit of this incident. You should conduct your own follow-up with the police if the service user would like to pursue this, and you can seek advice from us if you need it. If the issue indicates a potential safeguarding or financial abuse concern, it should be escalated to the Safeguarding team at Head Office.

LEVEL 1 FINANCE INCIDENT

LEVEL 2 FINANCE INCIDENT

LEVEL 3 FINANCE INCIDENT

2 Following up on Finance Incidents

LEVEL 1 FINANCE INCIDENT

Level 1 finance incidents are errors or discrepancies in a fund that have been identified but **have not resulted in any financial loss.**

This includes incidents where transactions have been poorly recorded, information may have been shared inappropriately, or money has been misplaced and promptly found. This may also include policy breaches and near misses.

REQUIRED FOLLOW-UP

There is no need to submit an incident report. Service managers should indicate the incident in the **monthly manager check**. If bank details such as PINs have been shared, these should be changed promptly. It is good practice to raise this issue with the perpetrator in a supervision.

LEVEL 2 FINANCE INCIDENT

Level 2 finance incidents occur when there is an actual financial loss of **up to £19.99** incurred by a service user who has any level of support with their finances. This includes incidents where money or items in the safe are known or suspected to have been misappropriated, lost, or stolen from a service user's fund.

REQUIRED FOLLOW-UP

1. You must submit a detailed **incident report within 24 hours** which includes all of the facts of the incident, and any relevant information about the financial arrangements in place.
2. An **internal investigation** must be conducted by a senior member of staff at the service. This should include:
   a. An audit of the relevant books, statements, and other finance documents to identify any further discrepancies.
   b. A minuted team meeting to discuss the incident and provide an opportunity for staff to come forward with any relevant information.
3. The findings of this investigation should be reported to the Internal Audit team.
4. Any evidence of dishonest staff practice must be escalated to Human Resources.

Please note: the Internal Audit team will be in ongoing communication for updates until they determine that the case can be closed.

3 Following up on Finance Incidents

LEVEL 3 FINANCE INCIDENT

Level 3 finance incidents are similar to level 2 finance incidents, except that the total value of loss is **£20.00 or higher.** Level 3 finance incidents are reported to the board of trustees by the Internal Audit Lead and are added to the corporate Fraud and Loss register.

REQUIRED FOLLOW-UP

You must complete all of the follow-up required for a level 2 finance incident.
In addition to this, you should **report the incident to the police** and provide the Internal Audit team with your crime reference number.
As these incidents are reported on the corporate Fraud and Loss register, the service manager will be required to work collaboratively with the Internal Audit team, who may conduct an additional investigation into the concerns.

FINANCE INCIDENT REPORT TIPS

The Incident Report template can be found in the Staff Area of the Creative Support website. Incident reports should be **written as soon as possible** following an incident - within 24 hours at the latest - and sent to the relevant local managers within 48 hours or the next working day. The individual with the most first-hand knowledge of the incident should write the report.

Section One: provide a brief description of the incident.

➟ What is the primary concern? Has there been financial loss?

Description of the Incident (Eg. "Medication Error – Missed Dose")
Clerical error in Household book

Section Two: provide details of the service, including the full name of the service.

➟ Do not use a nickname or acronym for the service name.

Section Three: provide a full report of the facts of the incident.

➟ Where names are mentioned, state the role of the individual.

➟ Where possible, provide a **typed report** rather than a handwritten report.

➟ If there are numerous recording errors or discrepancies throughout a money book, attach scans of the money book pages and the relevant receipts and folios.

Section Four: provide details of immediate follow-up actions that have been taken.

Section Five: the local **manager** should provide feedback and reflection on the incident.

4 Finance Incident Investigations

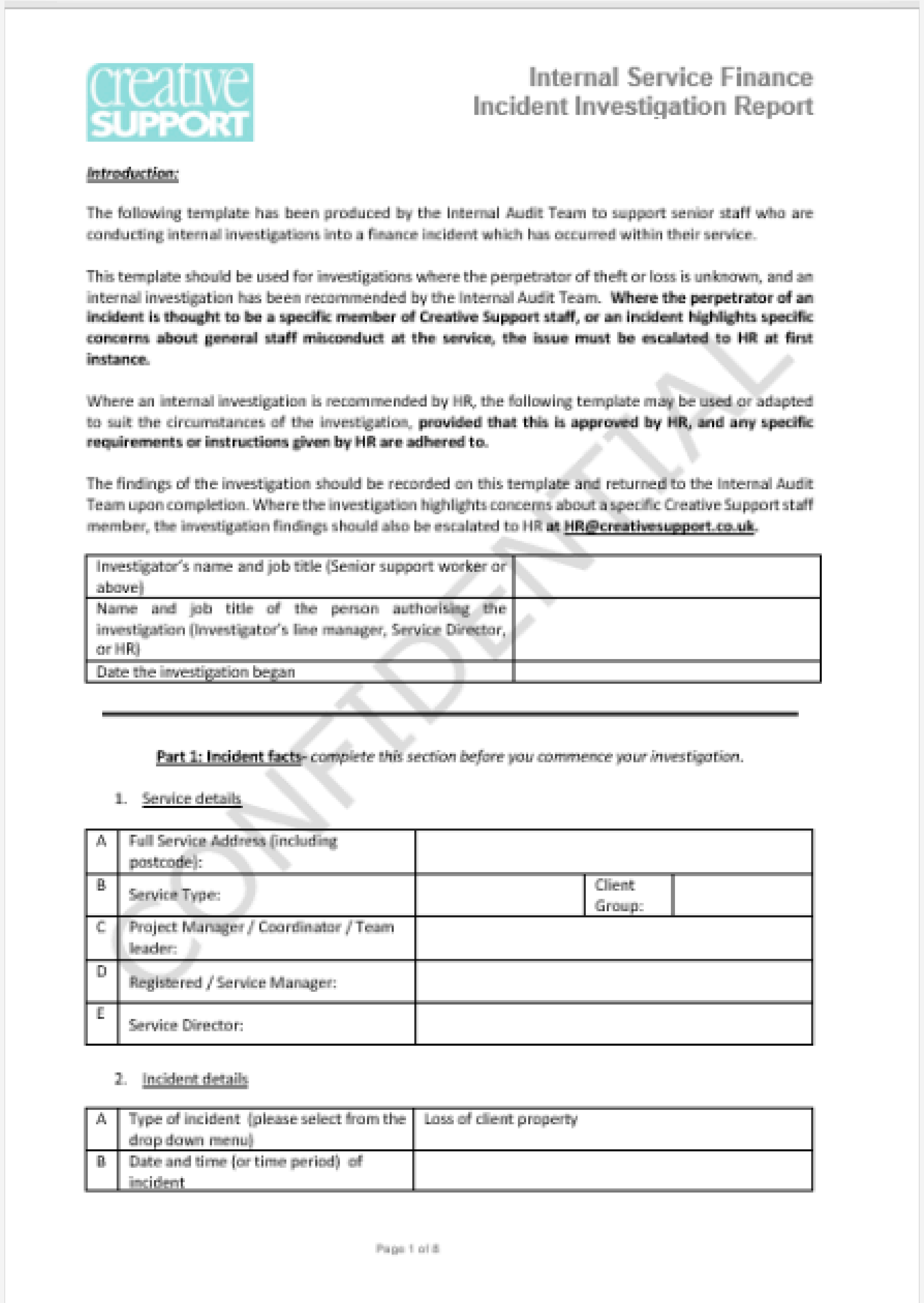
Level 1 and 2 finance incidents may require further investigation in addition to any investigations conducted by the police. The two types of investigations that can be conducted are local investigations and Internal Audit investigations.
The internal Audit team will notify you if one of these investigations is required.

Local Investigations

Local investigations are typically requested for **level 2 and 3 finance incidents** where the Internal Audit team believe that a Creative Support staff member may be the perpetrator of theft, fraud, or misappropriation.

When a local investigation is requested, the Service Director is asked to nominate a senior manager from a **different service** to conduct this investigation. This is essential to ensure objectivity and means that the senior managers of the service are also investigated.

Local investigations should be completed promptly to ensure evidence is not lost or destroyed.
The best practice is for a local investigation to be completed within the same working week that the incident occurred.



creative SUPPORT

Internal Service Finance
Incident Investigation Report

Introduction:

The following template has been produced by the Internal Audit Team to support senior staff who are conducting internal investigations into a finance incident which has occurred within their service.

This template should be used for investigations where the perpetrator of theft or loss is unknown, and an internal investigation has been recommended by the Internal Audit Team. **Where the perpetrator of an incident is thought to be a specific member of Creative Support staff, or an incident highlights specific concerns about general staff misconduct at the service, the issue must be escalated to HR at first instance.**

Where an internal investigation is recommended by HR, the following template may be used or adapted to suit the circumstances of the investigation, **provided that this is approved by HR, and any specific requirements or instructions given by HR are adhered to.**

The findings of the investigation should be recorded on this template and returned to the Internal Audit Team upon completion. Where the investigation highlights concerns about a specific Creative Support staff member, the investigation findings should also be escalated to HR **at HR@creativesupport.co.uk**.

Investigator's name and job title (Senior support worker or above)	
Name and job title of the person authorising the investigation (Investigator's line manager, Service Director, or HR)	
Date the investigation began	

Part 1: Incident facts- *complete this section before you commence your investigation.*

1. Service details

A	Full Service Address (including postcode):			
B	Service Type:		Client Group:	
C	Project Manager / Coordinator / Team leader:			
D	Registered / Service Manager:			
E	Service Director:			

2. Incident details

A	Type of incident (please select from the drop down menu)	Loss of client property
B	Date and time (or time period) of incident	

Page 1 of 8

CONFIDENTIAL

The Internal Audit team will supply the investigation template. This should be used to plan and guide the investigation, and to record methods and findings.
This investigation report template **must be completed** and returned to the Internal Audit team.

Internal Audit Investigation

Internal audit investigations are conducted in instances of serious finance incidents, typically for **level 3** incidents. The Internal Audit Lead or a Service Director determines when these investigations are necessary. The format of these investigations is tailored to the incident, but may include:

- The Internal Audit Team attending the service to gather evidence or requesting for evidence to be sent via email.
- Minuted investigation interviews with HR present.
- Meetings with service users or third parties.

5 Managing Finance Incidents alongside External Parties

When finance incidents occur, there may be one or more external parties who are also involved in managing or investigating the incident, as follows:

The service user’s financial appointee, court-appointed deputy, or individual with a lasting power of attorney	*if*	The service user has experienced financial loss, or there are concerns around their finances.
The local safeguarding team	*if*	There are concerns around the safety and well-being of a service user. This can include concerns around another third party mismanaging a service user’s money.
The CQC	*if*	A service user has experienced financial abuse and the service is CQC registered.
The police	*if*	There is suspicion or confirmation of a crime having been committed.

Senior staff and above should work collaboratively with external parties where appropriate. If there is any doubt about the level of cooperation required, you should consult with your service director or the Internal Audit team.

The involvement of an external party does not negate Creative Support’s responsibility to conduct an internal investigation by following the procedures described on the previous pages.

NOTES:

6 Closing and Learning from a Finance Incident

To close a Level 2 or 3 finance incident, the following steps must have been completed:

- A full internal investigation has been conducted, including an audit of the relevant books, a minuted team meeting, and minuted fact-finding meetings.
- The investigation findings have been recorded in a report which has been submitted to the Internal Audit team.
- Evidence of dishonest staff practice has been escalated to Human Resources, and HR have confirmed the conclusion of their follow-up.
- *Either* the lost money or property has been found *or* the funds have been repaid by the perpetrator *or* the funds have been reimbursed by Creative Support.
- **Please note that where staff are responsible for a financial loss incurred by a service user, all efforts should be made to recuperate the funds from the perpetrator. This payment may be made directly to the service user, or through salary deductions.**
- The Internal Audit Team have been updated with the outcome and have confirmed that the case incident has been closed.

Still unsure? Get in contact at *internal.audit@creativesupport.co.uk* and the Internal Audit team will be in touch to provide support.

Learning from a Finance Incident

Does the incident indicate a lack of knowledge in your service? **Book your staff onto Client Finance Training.**

Was the incident caused by a breach of policy in your service? **Resolve this breach to prevent future reoccurrence.**

Does a finance incident suggest that an individual's financial support arrangements need reviewing? **Start a discussion with the relevant third party (e.g. social worker, appointee, POA)**

Are you noticing reoccurring themes in your finance incidents? **Discuss the issues in a team meeting.**

Has a finance incident caused you to make improvements in your service? **Share tips and advice with your peers (e.g. in General Manager meetings)**

Did a particular staff member go above and beyond to resolve the incident? **Consider making them a Finance Champion in your service.**

Has an incident occurred due to a gap in Creative Support's policy or procedure? **Let us know and we can review the guidance**.

Signature List

Sign to confirm that you have read and understood the guide to ***Managing Service User Finance Incidents,*** and that you have raised and resolved any queries with the service manager or the Internal Audit team.

Print Name in Capitals	Job Role or Description	Signature