

Financial monitoring guidance

This guidance is designed to assist you with keeping and providing the correct paperwork for the Council, so we can see how you are spending your direct payment. We call this **financial monitoring**. This is so we know you are keeping safe and legal.

It is important to know that by agreeing to have a direct payment, you have a responsibility to provide us with the documents we mention in this guidance. Not many people really enjoy doing paperwork so we have tried to make our approach as simple as possible. However, we cannot remove all the paperwork that has to be retained. We hope that by providing you with this information, you will be able to successfully complete the paperwork you need to provide. Here are some frequently asked questions and answers to help you.

1. Why do I need to open a separate bank account for direct payments?

The direct payments must be paid into a bank account that is only used for direct payments. Having a separate account allows you to send us your bank statements showing how the funds are being used. We do not want to see how you spend your own money and therefore ask that they are kept separate.

2. What paperwork do I need to keep in relation to my direct payment?

The paperwork that you will need to keep in relation to your direct payment is fairly simple. You must keep all of the following:

- ✓ a record of when any staff you employ have worked for you – this may be timesheets or payslips from a company who provide payroll support to you
- ✓ all invoices and receipts for expenses – including any from care providers or agencies
- ✓ bank statements from your direct payments bank account.



All of the above paperwork is kept by you so that the Council can see that the money is being spent properly. You will be asked to keep all this paperwork in one place ready for viewing by your allocated caseworker.

You are legally required to keep your documents for a period of **7 years**.

3. Who will look at my paperwork records and how often?

The Council will regularly review your support and your allocated caseworker will ask to see all your documents. At any time, we may write to you requesting you provide copies of your supporting documentation over a sample period of time. This is in line with the Council's audit process to ensure public monies are being spent properly and in accordance with your Single Assessment/Education, Health & Care Plan/Direct Payment Agreement.

4. What information do I need to regularly send into the Council?

Once every 3 months, you must complete and sign a 'Spending form'. On this form, you will need to record all the expenditure incurred from the account during the relevant month. Along with your completed Spending form, you will need to send us a copy of your bank statement from your direct payment bank account covering the period of the Spending form. **You should always keep your original bank statement and send us a copy.**

5. How do I complete the Spending form?

You will be provided with copies of the Spending form. Each form covers a 3 month period which is shown on the top of each form. The Spending form will tell us how you have used your direct payment. The Spending form should account for every item of expenditure deducted from the bank account during the relevant month.



This includes all payments in and out of the account from the 1st of the month to the end of the month. The payments will also appear on your latest bank statement. Each bank statement should have a statement number. The Council would like you to submit each bank statement in number order. Do not worry if your expenditure on your spending form is not yet shown on your latest bank statement as we will be able to account for this later on. If you miss sending a statement, we will write to you or your representative asking for the missing bank statement. Without this, the Council is unable to monitor how you are spending your direct payment. Alternatively, if you use internet banking, we ask that you to send us printed statements which follow on from each other in date order.

The 'details of payments made' column gives you the opportunity to describe how you have spent your direct payment to meet the identified need. A few examples have been given below:

**Direct Payment
Spending Form
1 April 2020 to 30 June 2020**

By signing the direct payment Agreement, you agreed to complete this form every 3 months and submit it to your allocated caseworker before each review. Please remember to attach copies of your bank statements covering the same period.

Child's name	<i>Joseph Wright</i>	PIN	<i>123456</i>
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Date of spend	Details of payments made in April 2020	Amount spent (£)
<i>03/04/2020</i>	<i>HMRC - NI contributions (bank transfer)</i>	<i>£25.00</i>
<i>25/04/2020</i>	<i>Mrs Jones, PA, assisting with personal care (bank transfer)</i>	<i>£250.00</i>
<i>28/04/2020</i>	<i>Payroll support - Jan, Feb, March 2020 (cheque no.45)</i>	<i>£35.00</i>

At the bottom of the Spending form, you or your representative, are asked to sign a declaration.



You, or your representative, are signing to confirm that the direct payment has been used to meet the needs and outcomes described in your child or young person's Single Assessment/Education, Health & Care Plan/Direct Payment Agreement. We will refer to this when checking off your expenditure. If there are any concerns, your allocated caseworker will be informed.

6. Why do I need to send you my bank statements?

The payments we make to you are from public funds, which we have to account for. One of the conditions of receiving direct payments is that you must send us information regularly so that we can check that is being used properly.

7. How often do I need to send my spending form and bank statements to you?

To begin with, we need to see your bank statements every 3 months. This is to check things are going well for you. For most people, if you are confident with managing your direct payment and are spending the money properly, this will change to sending them every 6 months. There may be some people, where things are not going so well, who will still have to send in their bank statement every 3 months or even every month. Your allocated caseworker will inform you of this and explain why you need to provide the Council with bank statements more regularly than others.

8. Where do I send my spending record and bank statement to?

Integrated Disabled Children's Service
The Light House
St Mark's Road
Derby, DE21 6AL



9. What if I employ a care agency?

When you use an agency they must give you an invoice when they ask for payment for their services. Check that they are charging you only for the time that they sent staff to work with you. You should keep a copy of the invoice ready for us to inspect at your review. You can make arrangements to pay the agency by cheque or bank transfer.

It is not advisable to use cash.

It is recommended that you use your cheque book or arrange bank transfers through online banking or telephone banking when paying for support. This reduces the risk of people claiming payment which has not been received. Using cheques and bank transfers allows you to track the payments out of your account.

If you do need to use cash, this must first be agreed to by Derby City Council, and these amounts must be clearly accounted for your Spending form.

10. What records should I complete if I employ my own staff or personal assistant?

If you employ your own staff or personal assistant, it is good practice for you to complete a record or timesheet. If you use a payroll service, they will normally support you with this and can either provide you with timesheets or a record of the hours your staff have worked.

It is advisable you pay your staff 4 weekly to fit in with the payment period. You should try to get your employee to fill in a timesheet each week (or even daily) instead of leaving it all to do at the end of the pay period.



11. What if I don't comply with the monitoring requirements?

You should return your Spending forms and bank statements to us at the end of each quarterly reporting period. If you do not return these documents on either one or several occasions, the team will remind you and inform your allocated caseworker to come and support you.

If you continuously fail to send your documents after being provided with support to complete them, we may suspend your direct payments while any problems are investigated.

If there are any discrepancies in your spending, your allocated caseworker will become involved to discuss any issues with you or your representative.

12. What if I need support?

If you are finding any part of managing a direct payment difficult, or are worried about the financial monitoring, please contact your allocated caseworker who will be able to advise you where to go to get support.