

Report to Audit Committee

Joint Report of the Head of Internal Audit and Director of Adult Social Care (DASS) on the 2022/23 Fundamental Financial Systems Audit Outcomes and Action Plan in respect of Direct Payments and Community Home Care

Portfolio Holders: Councillor Abdul Jabbar MBE, Cabinet Member for Finance and Corporate Resources
Cllr Barbara Brownridge, Cabinet Member for Health and Social Care

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Reason for Decision

To advise members of the outcome of the 2022/23 Fundamental Financial Systems (FFS) Audit Review of Direct Payments and Community Homecare and the agreed actions for the Adult Social Care Service to take forward to address the recommendations made in that report.

Executive Summary

The Community Health and Adults' Social Care Team directly manages two of the Council's financial systems. One of these systems is the Personal Budgets / Direct Payments system.

The Direct Payments and Community Home Care audit and has received an audit opinion of 'Inadequate' in each of the eight years from 2014/15 to 2021/22. Considering this our overall opinion for 2022/23 has subsequently been downgraded to Weak.

This report sets out the agreed actions for the Adult Social Care Service to take forward to address the recommendations made in the latest 2022/23 FFS Audit Report.

Recommendations

Members are requested to note the the outcome of the most recent 2022/23 Fundamental Financial Systems Audit Review of Direct Payments and Community Homecare and the agreed actions for the Adult Social Care Service to take forward to address the recommendations made in that report.

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1. Background

- 1.1 The Community Health & Adult Social Care (CHASC) Service administers the Personal Budget and Community Homecare services for clients. The team allocates services to clients, visiting clients directly at their homes, and provides Personal Budgets to those clients who wish to retain greater control over their own affairs and who can procure services to assist in their own care needs.
- 1.2 The total budgeted gross expenditure for 2022/23 for Direct Payments and Community Homecare are included in the table below in alongside the actual 2022/23 outturn value:

2022/23	Budget	Outturn – Actuals	Overspend
Direct Payments	£18.231m	£20.931m	£2.700m
Community Homecare	£11.981m	£14.977m	£2.996m

- 1.3 The service has received an audit opinion of ‘Inadequate’ each year from 2014/15 to 2021/22. The current Director of Adult Social Care has been in post since July 2022.

2 2022/23 Audit Opinion

- 2.1 The latest 2022/23 FFS review of Direct Payments and Home Care found that systems and controls remain inadequate.
- 2.2 Six of the ten recommendation made in 2022/23 have been made in previous audit reports and remain outstanding. Four of these recommendations are high priority recommendations, and two are medium priority.
- 2.3 As noted at 1.3 above, the service has received an audit opinion of ‘Inadequate’ in each of the eight years from 2014/15 to 2021/22. Our overall opinion for 2022/23 has, therefore, subsequently been downgraded too **Weak**.
- 2.4 The ten recommendations made in 2022/23, and Management’s planned actions and timescales to address these recommendations are set out in the Action Plan in **Appendix 1**.

3 2022/23 Adult Social Care (ASC) Response

- 3.1 Significant work has already been undertaken by Adult Social Care to respond to the historic system challenges since the audit was undertaken. There is a robust plan in place to continue to improve. However, as the audit will not take place again until later in the year, these cannot be reflected in a more recent audit.
- 3.2 To fully address the auditing recommendations, in October 2022 the service has undertaken an exercise to restructure and repurpose its portfolios. The restructure of the service aligned the brokerage service within the commissioning portfolio, re-aligned the Client Finance Service and created a portfolio of Reform and Improvement.
- 3.3 Since July 2022, the service has devised a complete system transformation and improvement plan, aligned to Adult Social Care improvement which is expected to support

the service to become more efficient and effective in managing demand and meeting the needs of vulnerable residents, who have been assessed as having care and support needs, in accordance with statutory responsibilities **Appendix 2**. In addition, the service has devised a new target operating model **Appendix 3**.

3.4 The directorate is in the process of undertaking a full review of its brokerage service, which is responsible for overseeing cashflow and timely payments are made to providers.

3.5 The service is also undertaking a piece of work to streamline the mosaic system, ensuring workflows between frontline operational staff and the brokerage and client finance teams are aligned.

4 ASC Workforce Challenges

4.1 It should be recognized the ASC Directorate are currently experiencing significant workforce challenges, which is reflective locally, regionally, and nationally. This is having a significant impact on the directorates ability to respond to competing priorities and demands.

4.2 There are currently 57 Vacancies across Adult Social Care that reflect the national crisis. The current vacancy level places significant pressure in responding to priorities. The service has put in place interim arrangements for some of the vacancies where possible. Unfortunately due to the Social Care crisis, there is a national shortage of qualified workers.

4.3 This risk is being mitigated with an increased HR support to the service, to support the development of a workforce strategy to promote retention, recruitment, and staff well-being.

5 Options/Alternatives

5.1 The Audit Committee can either choose to accept and note the contents of this report or choose to not do so and suggest an alternative approach.

6 Preferred Option

6.1 The preferred option is that the Audit Committee accepts and notes the Report.

7 Consultation

7.1 N/A.

8 Financial Implications

8.1 N/A.

9 Legal Services Comments

9.1 N/A.

10 Cooperative Agenda

10.1 N/A.

11 Human Resources Comments

11.1 N/A.

12 Risk Assessments

12.1 N/A

13 IT Implications

13.1 N/A.

14 Property Implications

14.1 N/A.

15 Procurement Implications

15.1 N/A.

16 Environmental and Health & Safety Implications

16.1 N/A.

17 Equity, Community Cohesion and Crime Implication

17.1 N/A.

18 Equality Impact Assessment Completed

18.1 No.

19 Forward Plan Reference

19.1 N/A.

20 Key Decision

20.1 No.

21 Background Papers

21.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: Background papers are included as Appendix 1
Officer Name: John Miller

22 Appendices

22.1 The following Appendices are available to support this Report:

- **Appendix 1:** 2022/23 Direct Payments and Community Home Care FFS Review Action Plan
- **Appendix 2** Adult Social Care Transformation and Improvement plan.
- **Appendix 3** The Adult Social Care Target Operating Model.

2022/23 Direct Payments and Community Home Care FFS Review Action Plan

- High Priority** - Significant risk to the Council or Service, the recommendation is essential for sound or effective control.
Medium Priority - Moderate risk to the Service it is important that the recommendation is completed
Low Priority - Small risk to the Service it would improve control if the recommendation were to be completed.

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date
1	<p><u>Workflow</u></p> <p>The service should continue in the implementation of their recovery plan to address outstanding workflow requirements.</p> <p>Brought forward from previous audit reports.</p>	High	The service is undertaking a phased implementation approach to a Transformation Programme (Target Operating Model). This will help assist in the efficiency of the workflow requirements.	Director of Adult Social Care (DASS)	31 st March 2024
2	<p><u>Statutory Annual Care Review</u></p> <p>Strategy and Performance reports should be used to highlight service users who are overdue an annual care review.</p> <p>The service should utilise the benchmarking information available in comparison to other Northwest region authorities to identify where Oldham would appear to perform less well than neighbouring Councils. Where areas for improvement are identified as a result of benchmarking, the service should approach and liaise with better performing Council in order to identify any improvements which may be made.</p> <p>Brought forward from previous years.</p>	High	The Service has commenced a review of the client records where a care review is shown as overdue. This has revealed that a number of these records are incorrect and that the review date recorded on our systems is inaccurate due to staff having re-assessed clients prior to their recorded review date but not having updated the next annual review date. The Service will look to resolve these data issues to provide a more accurate reflection of the work done. The Service is in the process of conducting a review of its data across the board to standardise the usage and reporting from the system.	Director of Adult Social Care (DASS)	31 st March 2024

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date
			<p>The Service liaises monthly with colleagues across the Northwest ADASS. The CQC Peer Review recognised the challenges presented by the Mosaic system and the current adult social care climate. In comparison with other Local Authorities with the same demographics Oldham is within the average bracket for performance in this area. The service currently has a total of 57 vacancies. The service expects the ongoing data review to reflect this in its performance going forward. The Service also expects the ongoing Transformation Programme to improve efficiencies and performance. Additionally, further, to pending approval at Cabinet of the Mosaic system contract, a full system health check will be completed with the provider to address workflow & process issues.</p>		

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date
3	<p><u>Notice to Close</u></p> <p>Income and Payments team should be informed promptly of a death, or other circumstances resulting in a “Notice to Close” to correctly pay the provider and stop invoices in respect of client’s contributions.</p> <p>Brought forward from 2020/21</p>	High	The Service has reminded staff to ensure that the NTC process is adhered to. Communications were sent to staff 30 th May 2022 and 30 th May 2023. The Service will continue to remind staff of this requirement and monitor progress in this area. The Service is also undertaking ongoing quality assurance checks on closed cases to feedback to the practitioner and manager on any areas of improvement required.	Director of Adult Social Care (DASS)	12/07/2023 - completed
4	<p><u>Duplicate Records</u></p> <p>Training reminder to staff is required to ensure that a record does not already exist for a client before setting up a new one.</p> <p>Brought forward from previous years.</p>	Medium	Completed. Communications issued to staff in February 2022 and again in February 2023. This will also be picked up via regular reporting in this area.	Director of Adult Social Care (DASS)	12/07/2023 - completed
5	<p><u>Direct Payment Audit Invoices</u></p> <p>Invoices to recover overpaid funds to be issued by the D.P. Audit Team and not to be duplicated by other teams.</p> <p>New recommendation 2022/23</p>	Medium	Agreed. The Service will ensure this does not happen again.	Director of Adult Social Care (DASS)	12/07/2023-completed
6	<p><u>Unallocated Service Users</u></p> <p>All service users should be allocated to a Team. The service should review the report produced</p>	High	The Service will review the users identified and ensure that where a team is required then the user will be allocated appropriately.	Director of Adult Social Care (DASS)	31 st March 2024

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date
	by Performance Team and ensure unallocated service users are allocated promptly. New recommendation 2022/23				
7	<u>Client Contributions</u> Invoices to clients for their contribution to cease, in a timely manner, when payments to the care provider end. New recommendation 2022/23	Medium	Agreed. This will be picked up as part the case closure audits implemented during 2023 in preparation for the Council's anticipated CQC review.	Director of Adult Social Care (DASS)	12/07/2023
8	<u>CHC Income</u> Amounts invoiced to ICB for joint funded cases should reflect the agreed split of funding. Amounts invoiced should be adjusted when costs change and in the event of back dated adjustments to the care provider. New recommendation 2022/23	High	Agreed. The Service has a weekly "High Cost" Panel which is jointly chaired with the ICB which reviews jointly funded cases. The Service will look to develop a feedback and review mechanism to ensure that invoices to the ICB accurately reflect the costs of care.	Director of Adult Social Care (DASS)	12/09/2023
9	<u>Incomplete Forms</u> Purchase Request forms should be fully completed on the Mosaic system. Brought forward from 2020/2021	Medium	Agreed.	Director of Adult Social Care (DASS)	12/07/2023
10	<u>Proposed ASC Debt Recovery Process</u> The action plan to address outstanding debt presented to DMT in July 2021 should be progressed.	High	The Service meets regularly with the Officers involved with the Council's overall Debt Recovery / Income	Director of Adult Social Care (DASS)	12/07/2023

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date
	Brought forward from previous years.		Maximization initiatives to progress this issue.		

Appendix 2 – ASC Improvement Plan



ASC Improvement
Plan V3 May 2023.ppt

Appendix 3- ASC Target Operating Model (TOM)



ASC TOM June 2023
.pptx