

Oldham Council Audit and Counter Fraud Team

2024/25 Fundamental Financial Systems

Children's Social Care

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Final Report

Prepared by:
Internal Audit Service

Reviewed by:
John Miller Head of Audit and Counter Fraud

Issued to:

Fiona Greenway	Director of Finance
Julie Daniels	Director Children's Social Care
Sheila Garara	Assistant Director Children's Services Integration
Nick Whitbread	Assistant Director – Corporate Parenting
Andrea Weir	Head of Children's Commissioning
Martine Lewis	Head of Service for Children with Complex Needs and Short Breaks



2024/25 Fundamental Financial Systems

Children' Social Care

1 Background

1.1 As part of our annual review of the Council's Fundamental Financial Systems, a review of the systems and controls around Children's Social Care has been undertaken.

1.2 The total budget and overspend forecast for month 10 are shown below:

2024/25	Budget £m	Forecast £m	Variance £m
Children's Social Care	63.71	75.73	12.02

1.3 The budgetary pressures facing the Directorate have remained the focus of senior management attention during the year and an action plan to address the challenges in this area is already in place.

2 Objectives and Scope

2.1 The objective of the audit is to review and test the operation of the system, including controls, to ensure that appropriate procedures and controls are in place and operating effectively. This review has been conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN).

2.2 The key system controls examined include:

- Client needs assessments are in line with statutory requirements.
- Accurate and timely invoices are raised for jointly funded care.
- Data held on Mosaic is adequately controlled to ensure its accuracy and completeness.
- Payments to care providers are appropriately approved and correctly recorded in Agresso.
- Income and expenditure are correctly reconciled between Mosaic and Agresso.

2.3 Our approach involved:

- Walkthrough testing to ensure that the processes and controls are operating as expected.
- Compliance testing of key control incorporating the CIPFA System Based Control Matrices.

3 2024/25 Audit Opinion

3.1 A number of areas of good practice were identified as follows.

- Mosaic user controls are in place to ensure that new users are approved and trained before gaining full access to the system.
- New service users receive an initial assessment.
- Care Plans are up to date.

- Amounts paid in respect of care packages or placements agree to the amount authorised on the purchase request.

3.2 Since the 2023/24 audit, considerable work is underway by the newly formed Mosaic Children's Finance Board to improve the financial control environment in Children's Services. The lack of complete integration of Children's Social Care finance records into Mosaic has meant that reporting is complex, and it is difficult to align financial and case management data without manual intervention.

3.3 For the Children with Disabilities and Short Breaks service, spreadsheets are being used to track child-level financial information, which again adds to the complexity of reporting and risk of error. To improve the ease and accuracy of performance reporting and financial forecasting, particularly around Transitions cases, Children's Services have initiated a project to include the remaining areas of finance functionality still managed within the Council's Agresso system into Mosaic. This forms part of the Mosaic Children's Finance Project, see **Appendix 1**.

3.4 From the audit work carried out for 2024/25 we issued an opinion of **Inadequate** primarily due to the financial control environment in this area. It is anticipated that the ongoing Mosaic Children's Finance Project Group objectives will assist in providing further assurance in this area going forward.

3.5 Of the 11 recommendations agreed for improvement in 2023/24, three have been implemented. In 2024/25, eight recommendations have been carried forward and set out in the Action Plan in **Section 6**. The issues identified are discussed in the sections below.

4 Findings

4.1 Financial Procedures and Guidance

It is recommended financial procedures and guidance are formalised to include the document owner and review dates to ensure all users are aware of current guidance. A Financial Framework should be devised, (for example a flow chart), to identify the required journey of invoices for payment. The Framework should ensure appropriate approvals are sought in line with the scheme of delegation and a robust method of evidencing this should be introduced. The procedures and guidance will need to be prepared in line with the new integrated Mosaic system.

Please refer to Recommendation 1 in Section 5 below.

4.2 Purchase Order Methodology

The Mosaic system is "one solution, one platform", and therefore, potentially provides a fully integrated solution for Children's operational and financial case management on a single platform.

Mosaic has been designed to address need in four areas:

- Improving decision making.
- Detailing the client's history.
- Saving time for practitioners.
- Supporting collaboration with families and other agencies.

It was noted during the audit that although some costs originate with a purchase order initiated in the Mosaic system, not all cost types follow this same process. Specifically,

Independent Foster Agency costs, Out of Borough placements and purchase orders for short breaks are initiated in the Agresso system. This results in costs not being captured in the Mosaic system. Any subsequent input into the Mosaic system is, therefore, a duplication of effort. Management should consider if this two-tier process should continue.

Please refer to Recommendation 2 in Section 5 below.

4.3 **System Reconciliation**

In order to ensure all payments and potential income are processed accurately and in a timely manner through the Agresso financial system, monthly reconciliations between Agresso and Mosaic should be carried out. The Service should liaise with Finance Team colleagues to ensure that all differences between the two systems are documented and reconciled each month.

The implementation of the operational and financial case management platform on Mosaic will help provide a resolution to this recommendation.

Please refer to Recommendation 3 in Section 5 below.

4.4 **Periodic Supplier Payments (PSP)**

Periodic Supplier Payments (PSP) are processed via Agresso as opposed to Mosaic. The current approval process for care plan costs is only recorded via panel decision which is off system. Under the current process it is not possible to determine which individual officer originally input or made the changes to a PSP on Agresso.

This risk was further highlighted by the Mosaic Childrens Finance Board. Members of the board had identified significant delays in Childrens Finance Officers completing PSP's, requesting recharges from health and education partners and setting up new packages.

If these payments were processed via Mosaic, the process would be automated and there would be no requirement for manual intervention.

Please refer to Recommendations 4 Section 5 below.

4.5 **Integrated Care Board (ICB) Funding**

Funding approval letters are not currently saved to the Mosaic System, instead copies of emails are kept by the Commissioning Manager – Placements. Funding agreements with the Integrated Care Board (ICB) and/or Education should be obtained for all individuals whose funding is shared between sponsors.

It was agreed that funding agreement documents such as emails or letters should be saved to Mosaic and not stored off-system; relevant staff should have their authorisation levels revised from read only in order to enable them to complete this action.

Please refer to Recommendation 5 in Section 5 below.

4.6 **Short Breaks Plans**

The audit testing highlighted that 9 out of 15 Short Breaks Plans sampled were out of date. Management should establish a formal reporting process with Strategy and Performance in order to highlight service users who are overdue a support plan review. All Short Breaks Plans should be completed in a timely manner.

Please refer to Recommendation 6 in Section 5 below.

4.7 **Duplicate Client Records on Mosaic**

Duplicate client records continue to be corrected throughout 2024/25. However, it was noted that additional duplicate records continue to be created on the Mosaic system. A training message should be issued to all users of the Mosaic system to carry out checks to ensure that an account does not already exist for a client before they set up a new one.

Please refer to Recommendation 7 in Section 5 below.

4.8 **Direct Payments**

A sample of 15 children's Direct Payments (DPs) were reviewed, the following issues were identified:

- Long delays were identified when clients transition to Adult Services which created overpayments and further administrative pressure.
- Six clients had out of date Short Breaks Plans.

A quality assurance check should be conducted in a timely manner to ensure that all children who transition into Adult Service have the correct documentation completed and retained on Mosaic prior to transfer; this should also be supported by an up-to-date Support Plan and management sign off.

Please refer to Recommendation 8 in Section 5 below.

5 Way Forward

5.1 The Action Plan is included in Section 6 of this report. Progress against the agreed recommendations will be reviewed as part of an agreed timetable.

5.2 We would like to thank officers in the department for their help in this audit review whilst dealing with other competing priorities. In the meantime, once the report has been finalised, we would be grateful if you would complete the Customer Service Questionnaire so that we can continuously review our service delivery.

5.3 **Disclaimer**

This report is made solely as an internal management report to the Officers of the Council identified on the report distribution list as an aid to the effective management of Council resources, and for no other purpose. Our audit work has been undertaken in accordance with the Public Sector Internal Audit Standards (PSIAS) 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note (LGAN). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than those Officers for whom the report was produced, for our audit work, for this report, or for the opinions we have formed.

6. 2024/25 Action Plan

The table below shows the recommendations for the findings arising from our audit review. We have prioritised the recommendations to provide you with an indication of the importance for each nominated officer. If an officer disagrees with the prioritisation, they should discuss this with the auditor as part of the finalisation process.

- 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	Progress update October 2025
1	<p><u>Financial Procedures and Guidance</u></p> <p>System notes / Process Notes should be formalised for the new Mosaic Finance platform to establish robust financial processes and a strong financial framework.</p> <p>This should be circulated to all staff involved, supported by Finance.</p> <p>Brought forward from 2023/24</p>	High	Mosaic Finance Project Group - Business Services Manager to action through support from Purchasing Officers, Mosaic team and the finance team.	Assistant Director Children's Services Integration	30 September 2025	<p>Due to the technical complexity and IT capacity, the changes have taken longer than anticipated to be implemented.</p> <p>Existing Mosaic training guides have been reviewed and are being revised for purchasing and payment processes through the Mosaic Children's Finance project.</p> <p>Revised implementation dates:</p> <p>The purchasing guides will be completed by end of October 2025.</p> <p>The payment process guides will be completed in Spring 2026 following the Mosaic upgrade.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
2	<p><u>All costs to be recorded on Mosaic</u></p> <p>Management to consider using the Mosaic system as the first point of entry for all purchase orders, including:</p> <ul style="list-style-type: none"> • Short Breaks • Out of Borough placements • Independent Foster Agencies. <p>Brought forward from 2023/24</p>	Medium	<p>Mosaic Finance Project Group - Develop capability to raise purchase orders for these types of transactions from Mosaic</p>	<p>Assistant Director Children's Services Integration</p> <p>Assistant Director Corporate Parenting</p>	30 September 2025	<p>Due to the technical complexity and IT capacity, the changes have taken longer than anticipated to be implemented.</p> <p>The capability is in place and the costs are recorded on Mosaic for Out of Borough placements and Independent Foster Agencies. Data cleansing activities have been completed for current packages.</p> <p>This completion of the work for short breaks has been delayed due to a mandatory upgrade of the Mosaic system, which must take place by the end of March 2026.</p> <p>Revised implementation dates:</p> <p>Mosaic development for Short Breaks will be completed in October 2025, which will provide the capability for costs to be recorded on Mosaic.</p> <p>Current short breaks packages will be migrated to Mosaic by February 2026.</p> <p>Testing of the Accounts Payable interface between Mosaic and Agresso for direct payments will commence in spring 2026 and the work on payments cycles for these payments will commence later in 2026.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
3	<p><u>Monthly System Reconciliations</u></p> <p>The Service should liaise with Finance colleagues to ensure that Mosaic and Agresso are reconciled on a monthly basis.</p> <p>Brought forward from 2023/24</p>	High	Mosaic Finance Project Group - Business Services Manager to action through Purchasing Officers and explore what reporting is available to support monthly reconciliation with finance	Assistant Director Children's Services Integration	30 September 2025	<p>Standard Mosaic reports are available and can be used to extract financial data from Mosaic for payments i.e. to Foster Carers.</p> <p>Revised implementation date:</p> <p>Finance colleagues will complete monthly reconciliation once payments are processed through Mosaic from Spring/Summer 2026.</p>
4	<p><u>Periodic Supplier Payments (PSPs)</u></p> <p>The Service should consider transferring regular payments currently set up on Agresso for PSPs to the Mosaic system as the first point of entry for all purchase orders.</p> <p>This would capture the Manager's approval as well</p>	High	Mosaic Finance Project Group - Develop capability to raise purchase orders for these types of transactions from Mosaic and record the payments through Mosaic	<p>Assistant Director Corporate Parenting</p> <p>Head of Children with Complex Needs and Short Breaks</p>	30 September 2025	<p>Due to the technical complexity and IT capacity, the changes have taken longer than anticipated to be implemented.</p> <p>This work has been delayed due to a mandatory upgrade of the Mosaic system, which must take place by the end of March 2026.</p> <p>Revised implementation date:</p> <p>System development for recording direct payments in Mosaic will be completed in October 2025. This will enable purchase orders and manager's approval to be captured within Mosaic.</p> <p>Current direct payment packages will be migrated to Mosaic by February 2026.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	as the details of the inputting officer as an audit trail. Brought forward from 2023/24					Testing of the Accounts Payable interface between Mosaic and Agresso for direct payments will commence in spring 2026.
5	<u>ICB Funding</u> Funding agreements with the ICB and/or Education is obtained for all individuals whose funding is shared between sponsors. Funding agreement documents should be saved to Mosaic and not stored off-system. Brought forward from 2023/24	Medium	Placements Commissioning Manager to record all joint funding agreements on the child record in Mosaic.	Assistant Director Children's Services Integration Head of Children's Commissioning	31 August 2025	This action is complete, all funding agreements with the ICB have been uploaded to the child's file on Mosaic and this is now an ongoing business as usual monitoring action.
6	<u>Short Breaks Plans</u> Short Breaks Plans should be	Medium	Head of Service to oversee the regular review of short breaks plans and care packages.	Assistant Director Corporate Parenting	31 August 2025	This action is complete and is now an ongoing business as usual monitoring action due to a continuous cycle of reviewing new and existing plans.

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	<p>completed in a timely manner to ensure payments are accurately recorded and in line with the statutory duty.</p> <p>Brought forward from 2023/24</p>			Head of Children with Complex Needs and Short Breaks		<p>The updated Short Breaks Plan document is now live in Mosaic and includes more comprehensive cost information.</p> <p>Performance is monitored through monthly performance mechanisms within the service.</p>
7	<p><u>Duplicate Records</u></p> <p>Duplicate client records should be removed by moving all the information across to the main records, and then deleting the duplicate records.</p> <p>Staff should check that a record does not already exist for an individual before creating a new one.</p> <p>Brought forward from 2023/24</p>	Medium	<p>Regular report of duplicate records is shared with the Duty and Advice team by the children's performance team. There is a system in place with IT to regularly remove duplicates. The training guide in checking for a record is included in the induction for all new starters and has been circulated across the workforce. All social workers and personnel within the Duty and Advice Service are appraised of the requirement to check whether the service</p>	Assistant Director Children's Services Integration	31 August 2025	<p>This action is complete and is now an ongoing business as usual monitoring action. As contacts come into the MASH duty and advice service, workers check for existing records on the system on a daily basis.</p> <p>There is a two point check completed by the Customer Support Officer and the Social Worker.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
			has previously received information to ensure they are not recording duplicate records.			
8	<p><u>Direct Payments</u> A monthly review of all children transitioning to Adults Services should be conducted to ensure that the transition is supported by the appropriate documentation and management oversight.</p> <p>Brought forward from 2023/24</p>	High	Transitions Team - Head of Service and AD to regularly check the required documents and financial transaction information is shared for children transitioning to Adult Social Care.	<p>Assistant Director Corporate Parenting</p> <p>Head of Children with Complex Needs and Short Breaks AD - Adult Social Care</p>	31 August 2025	<p>This action is complete and is now an ongoing business as usual monitoring action.</p> <p>The Children's Direct Payments Policy has been approved and is being utilised by the service.</p> <p>Data and intelligence on children transitioning to Adult Social Care is now available and both Children's and Adults are continually reviewing the performance of the transition's workflows.</p>

Appendix 1

Mosaic Children's Finance Project Group Timetable

Key Stage	Deliverable(s) / Milestones(s)	Key Date
Initiation (start-up)		
Mobilisation	Establish core Project Roles ; Kick-start Project;	End of September 24
	Secure core Resources ; Create Project Brief , high-level Timeline & RAID Register (Risks/Assumptions/Issues/Dependencies Logs); Identify Benefits/Outcomes	End of September 24
Planning		
Planning for Delivery	Scope Project; Develop/sign-off Project Brief, Plan & RAID Register (Logs); Confirm Benefits/Outcomes; Secure additional Resources; Establish Project Governance/Reporting;	October 24
Delivery		
Workstream 1 – CWD/Short Breaks Processes & Purchasing	Mosaic pathways redesigned	End November 24
	Finance service structure re-configured	End November 24
	Data cleansing & data migration complete	End January 25
Workstream 2 – Payment Cycles	Direct payments and Short Breaks payment cycles live	End March 25
	Residential payment cycle live	TBC – dependent on first payment cycle
	Independent Fostering (IFA) payment cycle live	TBC – dependent on first payment cycle
Workstream 3 – Wider Children's finance processes	Rate uplift processes introduced	March 25
	Review of authorisation levels complete	January 25
Workstream 4 – Training & Communication	CWD / Short Breaks training complete	Dec 24 – Jan 25
	Other finance training complete	March 25
Closure		
Post Delivery	Lessons learned; Closure Report; and Benefits Realisation (Management) Plan;	September 25

