

Oldham Council Audit and Counter Fraud Team

2024/25 Fundamental Financial Systems

Direct Payments and Community Homecare

Final Report

July 2025

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2024/25 Fundamental Financial Systems

Direct Payments and Community Homecare

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 Direct Payments and Community Homecare has been undertaken. In line with prior years, Audit and Counter Fraud will collaborate with our external auditors, Mazars, to support their year-end audit planning and ensure that the agreed audit programme for each financial system reflects key risks, internal controls and is delivered in accordance with Public Sector Internal Audit Standards.
- 1.2 The expenditure paid in respect of Direct Payments and Community Homecare is initiated in the Mosaic system and interfaced into the financial system. The costs are significant in their own right hence the requirement for a separate audit of the policies and procedures around these transactions. The table below shows the budget and costs by account code over the last four years:

Direct Payments – PA Support	2021/2022	2022/2023	2023/2024	2024/2025
	£m	£m	£m	£m
Budget	15,976	18,231	20,949	21,294
Actual cost	19,844	20,931	21,620	22,209
(Overspend)	(3,868)	(2,700)	(671)	(915)
Independent Home Care	2021/2022	2022/2023	2023/2024	2024/2025
	£m	£m	£m	£m
Budget	10,337	11,981	16,735	19,507
Actual cost	13,236	14,977	19,759	23,129
(Overspend)	(2,899)	(2,996)	(3,024)	(3,622)

The table above does not represent the costs for the whole of adult social care. It is an extract of the costs of Direct Payments and Community Homecare, which are the elements of adult social care being audited in this report.

- 1.3 The Adult Social Care 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 direct payments 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.
- 1.4 The service has received an audit opinion of 'Inadequate' each year from 2014/15 to 2021/22. Due to the length of time that the opinion had remained at this level, it was downgraded to weak in 2022/23. Internal Audit have continued to liaise with Finance and ASC Service colleagues in order to provide assistance to the service where possible. This collaboration work has continued into the current year.

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. It also examines whether recommendations made in relation to our 2023/24 audit review have been implemented. This review has been conducted in accordance with the Public Sector Internal Audit Standards 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note.
- 2.2 The key system controls should:
- Confirm clients receive a needs assessment in line with statutory requirements.
 - Verify that the Resource Allocation Panel provides an indicative amount.
 - Confirm that debtor invoices are raised and approved for client contributions, or they are correctly deducted from their overall payments.
 - Confirm data held on Mosaic is adequately controlled to ensure the accuracy, completeness and reliability of information.
 - Ensure provider invoices are approved and correctly recorded in Agresso.
 - Ensure income and expenditure are correctly reconciled between Mosaic and Agresso.
- 2.3 Our approach involved:
- Follow up previous recommendations from the 2023/24 Personal Budgets and Homecare audit report and progress toward actions agreed.
 - Walkthrough testing to ensure that the system is operating as documented from information supplied by management, and that any changes are subsequently recorded.
 - Compliance testing of the key controls to determine if they are operating effectively.

3 2024/25 Audit Opinion

- 3.1 Controls around the Direct Payments and Home Care systems continue to provide **Limited Assurance**. We have made eight recommendations for improvements, five high priority, two medium and one low priority. These are set out in the Action Plan in **Section 6**.
- 3.2 Four of the eight recommendations we have made this year have been made in previous audit reports. Three of these recommendations made previously are high priority and one is medium priority. As noted at 1.4, the service has received an audit opinion of 'Inadequate' or lower since 2014/15.
- 3.3 During 2024/25 the service has continued to face significant challenges, as is the case nationally in social care. The service has established a monitoring process to track progress in relation to the implementation of the audit recommendations as part of its wider efforts to move to a new Target Operating Model. The service has made progress in addressing deficiencies in control in some areas, as evidenced in completing four of the ten recommendations made last year.

4 Findings

4.1 Open Workflow items / Data quality

Each client will have an open case file containing all relevant documentation pertaining to assessed needs and their interaction with adult social care. They will also have an open workflow if something is required to be actioned – for example, a review or purchasing of a

care package with a provider. There has been a 37.7% increase in the number of open workflow items from April 2021 to April 2025, as shown in the table below. Increasing numbers of open workflows has been raised as a point of concern in previous audit reports. However, from figures available for September 2022, client numbers have increased by approximately 6% between September 2022 and April 2025. Utilising the table below, open workflows from September 2022 to April 2025 are estimated to have increased by around 4%. Alongside the reduction in open workflows from March 2025 to April 2025 this would suggest that the Service has made recent progress in addressing the previously concerning upward trend in open workflows in comparison with client numbers.

Open Workflow items at	Total
01 April 2021	2,421
31 March 2022	2,902
23 February 2023	3,505
08 March 2024	3,762
11 April 2025	3,333

However, the open workflows report, which is produced by the Performance Team, shows that 5.8% of the total are over two years old and one item dates back as far as 2016.

Of the 3,333 open items in April 2025 one item related to 2016, two items related to 2017, four items related to 2018, three items related to 2019, 18 related to 2020, 52 related to 2021, 112 related to 2022, 259 related to 2023. The service should prioritise and process the oldest open workflow items, this will help to improve the ADASS statistics reported in section 4.3 below.

Please refer to Recommendation 1 in Section 6 below.

4.2 Signed Direct Payment Agreements (DPA)

One Direct Payment client was found in a sample of 10 without a DPA saved on the Mosaic system.

Two other clients in the same sample of 10 had a DPA which was not signed or dated. Five other clients in the same sample of 10 had been signed but not dated and had no officer name or role in the section which stipulates who had signed the DPA.

Direct Payment Agreements should be signed and dated when they are completed. The position of the officer signing the DPA should also be stated clearly in the section provided on the DPAs. The date field and job title field should not be left blank.

Please refer to Recommendation 2 in Section 6 below.

4.3 Annual Statutory Care Reviews

The Care Act specifies that each client should have a care review at least annually. The table below shows performance in Oldham over the last 2 years:

KPI	2022/23					2023/24				2024/25	
Ref:	ADASS Report figures	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
		%	%	%	%	%	%	%	%	%	%
NW 9	Number of reviews completed in a rolling 12-month period	33.8	41.9	49.3	48.4	42.1	46.8	52.5	53.6	63.2	59.9
NW 10	Backlog of reviews 2 years overdue	29.2				28.0	27.0		21.1	15.9	17.2
			31.7	22.1	12.7			22.9			

Oldham is performing comparatively well against other Authorities across the North-West, in the Key Performance Indicator (KPI) NW 9 above in respect of the latest Q2 results. In Q2 2024/25 the NW average for the percentage of reviews completed in a rolling 12 months was 55.2%, with Oldham achieving 59.9%.

Oldham is performing comparatively less well on (KPI) NW 10. In Q2 2024/25 against the North-West average percentage for the backlog of reviews which are 2 years overdue. The North-West average in Q2 was 10.7%. In Oldham this 2-year backlog for reviews was 17.2%. It is recognised that although still below average, the trend at Oldham over the 2 years which is shown in the table above is that the position is much improved. Two years ago this KPI was 29.2%.

Please refer to Recommendation 3 in Section 6 below.

4.4 Large back dated payments

The review noted 44 large, back dated payments up to December 2024.

The month 9 Finance Dashboard highlights backdated payments that were made in the year in respect of Direct Payments and Care at Home. These payments total £0.462m of which £98.8k relates to prior financial years.

It is disruptive to client's cashflow, when payments are not made in a timely manner. It also makes it difficult for the Council to forecast future expenditure in the financial projections when large back dated payments are found.

The service should identify why these amounts were not paid promptly and amend systems and processes to address this issue going forward.

Please refer to Recommendation 4 in Section 6 below.

4.5 Backlog of Financial Assessments

The waiting list for a financial assessment had significantly increased in the period of 6 months to January 2025, from 191 cases to 619. The average wait time fluctuated from 63 days waiting at the start of the financial year, to the lowest wait time of 34–37 days in June to August, to the longest average wait of 85 days for December 2024 and January 2025.

One case in January 2025 had been outstanding for 667 days. There were 24 clients who had been awaiting a financial assessment for over 200 days, four of whom have not had a financial assessment for over a year.

This can result in large, backdated invoices to clients for the cost of care, which may cause client distress, inaccurate financial forecasting, and may contribute towards increased Service debt.

Please refer to Recommendation 5 in Section 6 below.

4.6 Credit Notes

Each credit note issued to clients should include:

- The reason for the credit note.
- The date range which the credit note covers.
- The basis of calculation to show how the credit note value has been calculated.
- The original invoice number which is being credited.

Seven out of ten credit notes sampled did not include adequate information to be useful to the recipient.

Please refer to Recommendation 6 in Section 6 below.

4.7 Duplicate Service User Accounts on Mosaic

33 duplicate records have been identified, including 5 where the client is deceased. Duplicate records should be merged and the secondary account removed from the system. They should not be left as an open account on the system with the words “Do not use” in a banner at the top of the screen.

Mosaic users should not set up new records without first confirming that one does not already exist. Duplication of accounts may lead to double payments and dual services, and it will also distort the KPI statistics that are issued on the ADASS reports.

Please refer to Recommendation 7 in Section 6 below.

4.8 Periods of hospitalisation to be recorded

A schedule of “Hospital stays”, which is found under the section “Health” on the Mosaic system, is available to record the dates when a client was admitted to and discharged from hospital along with the reason. This section of the Mosaic system is not currently being used. The Service may wish to consider utilising this functionality to assist in locating clients when required.

Please refer to Recommendation 8 in Section 6 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 review. 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 2013 (Revised 2017), and the Chartered Institute of Public Finance (CIPFA) Local Government Application Note. 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 and those outstanding from the previous review in 2023/24. 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>Workflow / data quality</u></p> <p>The service should continue in the implementation of their recovery plan to address outstanding workflow requirements.</p> <p>The Data Quality group should focus on dealing with the oldest outstanding workflow items.</p> <p>Brought forward from previous years.</p>	High	<p>A dashboard has been implemented to monitor and manage open workflows and allows the service to easily identify current and historical workflows. Activity is being undertaken to close historical items and over 500 have been closed over the last 2 months. Support has been provided to Mental Health teams to assist them in resolving workflow issues. We are currently on track to have the remaining historical workflows</p>	Director of Adults Social Care (DASS)	September 2025	<p>Revised Implementation Date December 2025.</p> <p>The number has been significantly reduced from a position of 1,332 in February to 425 at the start of September. Work is progressing to close the remainder of these with targeted work being completed on historical safeguarding workflows, ensuring that people are safe and free from harm.</p> <p>Reason for slippage</p> <p>Resource pressures across ASC and the recent notification of CQC inspection has meant that the capacity to complete this work has been reduced but it continues to be a priority and we remain confident that this remaining workflows will be actioned as required.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
			<p>closed by the end of August 2025.</p> <p>The Brokerage team is using the dashboard to manage ongoing work and are now in a position where there are no workflows open older than 14 days. An escalation process is being put in place to ensure any workflow which a worker in the team is struggling to progress can be escalated appropriately for a quick resolution.</p>			
2.	<p><u>Direct Payments Agreements</u></p> <p>Each client who receives a Direct Payment, should have a signed DPA.</p> <p>When DPAs are signed they should be dated and the officer</p>	High	<p>Reminder issued to staff that when uploading the signed DPA this need to be dated and signed on ASC behalf.</p> <p>The service has reviewed the DP policies and procedures and will be providing refreshed guidance to the workforce in this in summer 2025.</p>	Director of Adult Social Care	August 2025	<p>Completed by the deadline, however we will continue to remind staff regularly around this.</p> <p>Staff have been reminded of the importance of checking DPAs are fully signed before being uploaded. The DP policy has been reviewed, updated and recently published on the council's website.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	<p>signing the DPA should complete their position in the field provided to set out who has signed off the DPA.</p> <p>New recommendation in 2024/2025</p>					
3.	<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 North-West region authorities to identify where Oldham would</p>	High	<p>The position on reviews and the backlogs is regularly reported on and monitored in terms of our benchmarking our position locally and in comparison, with other GM authorities. The ADASS dashboard information which provides benchmarking data informs ongoing discussions in terms of how other LA's operate. These are discussed at NW ADASS meetings and GM meetings attended by the Director and Assistant Directors.</p>	Director of Adult Social Care	December 2025	<p>Revised Implementation Date of March 2026</p> <p>Agency Staff and Contract and Quality Monitoring Officers are being utilised to reduce the backlog of overdue annual reviews. We have seen a reduction in the Review waiting list over the last two months.</p> <p>We have seen a reduction in the Review waiting list over the last two months.</p> <p>Reason for slippage</p> <p>Resource challenges in relation to the ABOV and wider social work teams, which are being addressed by agency and permanent recruitment.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	<p>appear to perform relatively less well than neighbouring Councils.</p> <p>Where areas for improvement are identified as a result of benchmarking, the service should approach and liaise with better performing Councils in order to identify any improvements which may be made.</p> <p>Brought forward from previous years.</p>		<p>Capacity issues, particularly with PCFT Mental Health teams being in Business Continuity, have an impact on the number of reviews that can be completed. Cases are assessed using a risk management tool to prioritise activity, and a plan is soon to be agreed on managing the backlog.</p> <p>The proposed restructuring of operational teams will see the allocation of dedicated resources for review completion and will have a positive impact on completed reviews. Specific activity has been undertaken to action the oldest reviews.</p>			
4.	<u>Back dated adjustments</u>	High	This continues to be an area of focus for ASC and work completed over the past 12 months	Director of Adult Social Care	September 2025	<p>Revised Date to enable system changes March 2026</p> <p>Reporting put in place has given greater oversight and identifies</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	<p>Payments for care packages should be put in place at the inception of any care agreements and not allowed to go for many months without the payment being paid.</p> <p>Brought forwards from 2023/24</p>		<p>has helped to identify key themes in relation to backdated payments including</p> <ul style="list-style-type: none"> • Providers not returning documentation • Transfer of cases between CSC and ASC • Transition from self-funding arrangements • System delays <p>Additional reporting has been put in place to reduce the risk of backdated payments and a record of these continues to be kept to help identify themes and work to mitigate these from occurring again across the workforce.</p> <p>The new dashboard developed to monitor open workflows is also providing assisting in</p>			<p>changes in payments on a monthly basis and is supporting identification of cases that need reviewing leading to quicker resolution of any issues.</p> <p>The system delays have been raised as part of a recent health check by the Access group who supply the system to review usage and suggest improvements to reduce the risk of work not progressing correctly in the system.</p> <p>Reason for slippage Implementing the Mosaic Changes will be delayed due to the requirement for a system upgrade to Mosaic scheduled for February 2026. The work required by the Mosaic Team in advance of this will limit the ability to make changes prior to this date.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
			reducing this risk as Brokerage have been able to see where there were workflows open related to documentation not being returned etc.			
5.	<p><u>Backlog of Financial Assessments</u></p> <p>The Adult Social Care Service to Liaise with the Revenues and Benefits Service to agree a permanent Structure for the Client Finance Team which undertakes client financial assessments. The backlog of financial assessments should be addressed. The oldest outstanding items should be dealt with a priority.</p>	High	<p>Client Finance returned to ASC on an interim basis due to changes within the Revenues and Benefits Service. The team is due to return to Revenues and Benefits later in 2025/26.</p> <p>Plans are in place to manage the backlog of assessments with additional resource being provided and daily reporting is available to monitor and manage the allocation of work.</p>	<p>Director of Adult Social Care</p> <p>Exchequer Client Manager – Revenues</p> <p>Exchequer Client Manager - Benefits and Welfare Rights</p>	December 2025	<p>On Target</p> <p>Reporting put in place has given greater oversight and identifies changes in payments on a monthly basis and is supporting identification of cases that need reviewing leading to quicker resolution of any issues. The system delays have been raised as part of a recent health check by the Additional staff (via Civica) have been brought in to support with the backlog of Financial Assessments, and over the last two months we have seen a reduction.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	New Recommendation 2024/2025					
6.	<p><u>Credit Notes</u></p> <p>The description on all credit notes raised should have clear information on it to point out what period it is for and how it has been calculated.</p> <p>In order that the reader of the credit note can understand what is being adjusted – the description of “Credit raised as FA reviewed” is not sufficient to understand why the credit note is required or how the amount of the correction has been arrived at.</p> <p>Initially raised in 2021/22 and was subsequently</p>	Medium	<p>Reminders are periodically issued to staff in Brokerage and Client Finance on the need for dates to be included on credit notes and spot checks of credits raised to continue.</p> <p>There currently is not the facility for ‘authorisation’ within Agresso that will better enable oversight and sign-off of credit notes for check and authorisation.</p>	<p>Director of Adult Social Care</p> <p>Exchequer Client Manager – Revenues</p> <p>Exchequer Client Manager - Benefits and Welfare Rights</p>	August 2025	<p>Completed by the deadline, however we will continue to remind staff regularly around this.</p> <p>Reminders have been issued to staff in Brokerage and Client Finance to ensure that full descriptions are included on credit notes issued.</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	signed off as completed.					
7.	<p><u>Duplicate records</u></p> <p>Staff should be reminded to check that a record does not already exist before setting up a new record.</p> <p>New recommendation to D.P. report. Brought forward from 2020/21 on the Residential Homes report.</p>	Medium	<p>Reminders are periodically issued to staff on checking Mosaic prior to creation of a new record and on using the 'wild card' and 'sounds like' functionality to reduce the risk of duplicate records being created.</p> <p>This has previously been considered with the Mosaic support team to assess the functionality of the Mosaic system. Unfortunately, not all duplicate records can be merged. Where financial records of payments and billing exist on both records the system does not allow records to be merged as some of this data would be lost. Therefore, as there is currently not a solution that is within our control there will remain a</p>	Director of Adults Social Care (DASS)	August 2025	<p>Revised Implementation Date December 2025</p> <p>Duplicate cases have been reviewed and 25+ cases have been merged during September. Reminders to staff are being included in ASC Spotlight and activity will be picked up as part of the Data Quality group.</p> <p>Reason for slippage We will be completing targeted activity following the CQC inspection. We will also be clarifying the baseline position of the total number of duplicates which cannot be merged due to audit (where there has been purchase on both cases).</p>

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
			number of duplicate records in the system. However, as part of our new performance dashboards we will include duplicate records for improved management and oversight.			
8.	<p><u>Record of hospital stays</u></p> <p>A schedule of hospital stays, is a specific document within the Mosaic system. The service should consider whether they wish to use this functionality to record periods when a client is in hospital, and make it easier to physically locate individual clients, allow re-allocation of Homecare resources where</p>	Low	The utilisation of this functionality within Mosaic has been considered previously but as we are not consistently advised of hospital admissions/discharges there would be resource implications for maintaining and monitoring this data and as such the decision has been taken not to utilise it. The alternative process in place to manage this, social care staff have access to Graphnet, the GM shared health record, which contains details of hospital admissions for staff to access when required.	Director of Adults Social Care (DASS)	N/a	The business decision was made to not use this functionality for the reasons previously detailed. Alternative processes are in place to access hospital stay information.

No	Recommendation	Priority	Management Comments	Responsibility	Implementation Date	Progress update October 2025
	these are not currently required. New recommendation 2024/2025					