Direct Payments

Financial Audit Monitoring Checks - What you need to know

April 2024

Why are Audit Checks needed?

Direct Payments are public money so the Council has to check that the money has been spent properly. That means spending it on the things in your support plan and in line with the Direct Payment rules. The support plan is flexible, but if you want to make significant changes you, or the person who manages your Direct Payment, should contact your care manager/social worker. If you have a Direct Payment, or you manage one for someone else, the Council needs evidence about how the money has been spent. Please co-operate with this audit check or you could lose your Direct Payment.

If your Direct Payment is stopped the Council will talk to you about meeting your care needs in a different way.

What does an Audit Check involve?

An audit check is where the Council look at your Direct Payment records to make sure that the money is being used properly and that all payments relating to your care are being made correctly. The records we will need to see include bank statements for your direct payment bank account and paperwork relating to any payments you have made from the account, such as cheque stubs, invoices if you have used an agency or payroll information if you employ a Personal Assistant. A full list of information we may need to see is further on in this leaflet, under ‘Records you need to keep’.

We will usually arrange to visit you to carry out an audit at a time that is convenient to you, and the check usually takes between 30 minutes and an hour. However if you choose to have a managed account whereby a 3rd party payroll company manages your Direct Payment funds, we will not need to visit you to carry out an audit.

When will I have Audit Checks?

3 months after your payments start we will need to carry out your first audit. The information needed for the audit will cover spending in those first 3 months.

After this there will be an audit review every 6 months. We will let you know when we need to see your records and the dates that the audit will cover.

If you stop having a Direct Payment there will be a final audit check of your records. This will cover the time up to the date that the Direct Payment stopped.

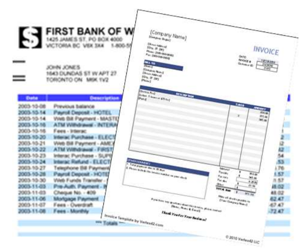
Records you need to fill in

If you employ a Personal Assistant (PA) you may find it helpful to keep a diary to record when your PA works. An A4 size diary will help you to keep a record of which days your PA worked and the number of hours they spent with you. This will help you if you PA works different hours each week, as you will need to report all hours worked to your payroll provider. You will also need to

keep a record of your PA's holidays taken and any sickness absence, and a diary is a useful way to record this. The diary may also be needed as part of an audit check. You can cover the cost of the diary from your Direct Payment funds, just remember to keep the receipt for your next audit.

Records you need to keep

It will help if you keep all the papers about your Direct Payment in one place. Then they will be easy to find when you need them. The documents you will need to keep for Direct Payment audits are listed below:



- Bank statements (originals and view online is also acceptable but not printed online)
- Pay-slips or employee history reports from your payroll provider
- Timesheets if you use them, including records of holidays and sickness
- Certificate of Insurance in compliance with Employers Liability (Compulsory Insurance) Act 1969
- Invoices for any care that you have bought from an agency
- Details of any breaks in care - for example because of hospital admission
- Cheque book stubs
- Paying in book stubs or slips

Please keep this information even if we do not ask to see it now, as we may need to see it later. The papers we see must cover all of the dates included in the audit.

How you can use your Direct Payment bank account

When using your Direct Payment you need to keep clear evidence of all money that comes into and goes out of your Direct Payment bank account. The Direct Payment bank account must only be used to pay in the following:

- Direct Payment funds received from the Council.
- Your regular contribution. This is the amount that you were assessed to pay.
- Any voluntary contribution towards your Direct Payment, for example you may wish to use an agency that charges a higher hourly rate than the contracted rate paid by the Council and would need to top up the shortfall from your personal funds.

Any money spent from the Direct Payment account must be paid by cheque, debit card, or bank transfer where there are clear financial records. We need evidence that shows the money was spent in the right way to meet your assessed needs.

- Do not take cash out of the account as there is no way to check how the cash was spent.
- Do not pay for your care that the Direct Payment covers from any other bank account.

If you pay out more money than there is in your Direct Payment account, the account will become overdrawn. If this happens you might be charged by your bank. If so, it is your responsibility to pay the charges from your personal funds. If the account becomes overdrawn because of something the Council has done, for example if a BACS payment is late, the Council will consider paying the charges.

If the money in your Direct Payment account earns interest you can reduce your contribution into the account by the same amount as the interest.

If there is over 4 weeks unspent money in the account when we check it, we will either reclaim the extra money or adjust your future payments.

If there is a problem

If the audit shows a problem with the way you have spent your Direct Payment, the Council may stop your payments while we talk to you about this. Things that could stop your Direct Payment are: paying Halton Borough Council bills with your Direct Payment, not making your weekly contribution or spending your Direct Payment on things that do not meet your care needs. If this happens the Council will make sure that your care needs are still met while it investigates. The Council could decide to stop your Direct Payment completely, and provide care to you in a different way.

Contact Us

If you have any questions about the audit process contact the Direct Payments Team by telephone on 0151 511 7575, email Direct.Payments@halton.gov.uk or write to us at: Direct Payments Team, Halton Borough Council, Municipal Building, Widnes WA8 7QF.