

AUDIT COMMITTEE: 30 January 2018

SOCIAL SERVICES UPDATE ON INTERNAL CONTROL ENVIRONMENT

REPORT OF DIRECTOR SOCIAL SERVICES

AGENDA ITEM: 4.1

Appendices C and D of the report are not for publication as they contain exempt information of the description in paragraphs 14 and 21 of Schedule 12A of the Local Government Act 1972

Reason for this Report

1. At its meeting on 28th November 2017, the Audit Committee requested that it receive an update on governance and control in Social Services. This update is also to provide assurance on the implementation of the recommendations made by Internal Audit.

Background

2. Cardiff Council's Social Services Directorate has responsibility for a wide and complex range of statutory duties, functions and services that affect the lives of virtually every part of the community at some point, usually at a point of significant individual vulnerability. The nature of social services is pre-eminently concerned with managing risk at the level of strategy, operational delivery, and the quality of services and of individual professional practice. To support this challenging agenda, the Directorate currently engages 930 FTE employees (515 in Adult Services and 415 in Children's Services) and commissions a very wide range of third party services with large employee cohorts. Whilst at any one time the Directorate supports over 10,000 individuals plus their wider families, an illustration of the reach and spread of activity entailed in delivering social services is indicated by the following volumes:

- **8,102** enquiries to Adult Services
- **837** Protection of Vulnerable Adult referrals
- **7,289** adults assessed or reviewed
- **7,719** adults in receipt of services at 31st March 2017, of which:
 - **1,022** were receiving residential and nursing care
 - **3,505** were living at home with social care packages
 - **3,192** were receiving other services.
- **29,389** contacts / referrals to Children's Services
- **721** children being looked after at 31st March 2017 (**802** at 31st December 2017)
- **191** children on Child Protection Register at 31st March 2017.

Cardiff Council's Social Services Directorate is also responsible for the largest single controllable spend (£153,486) across the council (after delegated schools budgets), and breakdowns for Adult and Children's Services for 2017/18 are summarised in **Appendix A**. It is significant that 72% of the budget is spent on commissioned services.

Issues

3. Management and Mitigation of the Directorate's Risks

The Directorate has developed a clear structure and process for managing and monitoring its responsibilities, commitments and risks. This is managed and embodied in four integrated 'instruments' as follows:

- **Directorate Delivery Plan.** Progress is monitored on a quarterly basis and the updates are used to feed into a review of both Corporate and Directorate Risk Registers – also quarterly. Consideration is given to how the progress made by the Directorate during the quarter against each of its priorities and related actions further mitigates risks, and risk ratings are reviewed accordingly.
- **Risk Registers** are considered and signed off at each appropriate management team so that all relevant senior managers are aware and can contribute.
- **Quarterly Performance and Annual Delivery Plan Review** – the Director holds a one day quarterly performance review with the Extended Management Team (see Figure 1) which includes the Director, Assistant Directors, all Operational Managers and a number of senior managers with discrete strategic roles (approximately 18 managers). The focus of this quarterly event is on reviewing progress against the Annual Delivery Plan, ongoing analysis and review in relation to the Annual Report of the Director of Social Services, horizon scanning and ongoing strategic development. Consideration of risk management and a wide range of risks, including corporate risks, is integral to this cycle.
- **The Annual Report of the Director of Social Services** – the production of this report is supported by a process outlined in statutory guidance known as the 'Annual Council Reporting Framework for Social Services' (ACRF). The Directorate has developed an annual cycle to enable the ACRF (please see example timeframe attached at **Appendix B**) and this stimulates a process of detailed self-assessment, analysis and challenge between November and June in any given year, and involving internal and external stakeholders (e.g. service users, staff, third sector organisations, regulators). The report gives an overview of progress during the year, outcomes achieved for citizens and identifies challenges and priorities going forward. Plans are in place to further strengthen challenge for the review of 2017/18 performance and outturn via Citizen Panels.

Current Corporate Risks

Three Social Services risks are captured on the Corporate Risk Register:

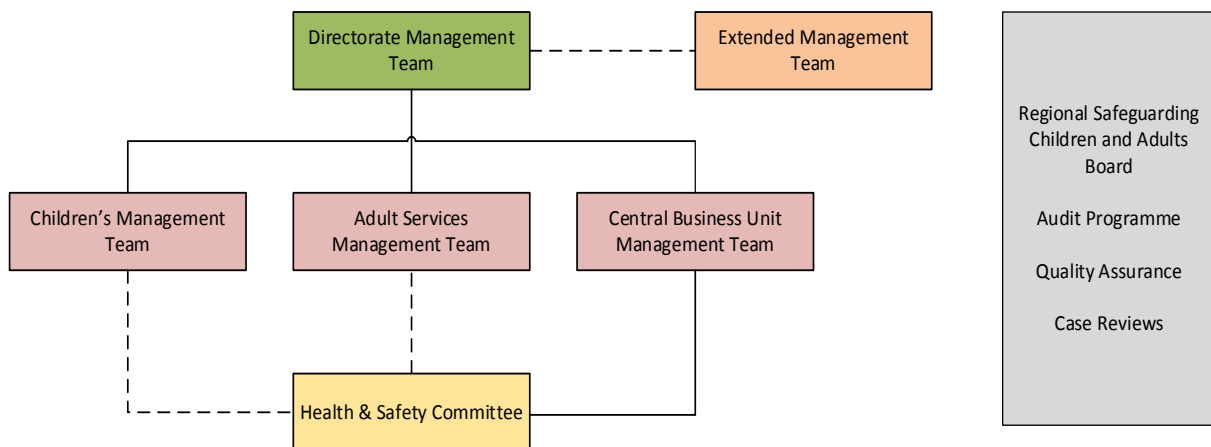
- *Safeguarding* (joint responsibility with Davina Fiore) – the systemic failure in the effectiveness of the Council's safeguarding arrangements together with other statutory safeguarding partners. This has an inherent risk of HIGH PRIORITY (B 1), and is mitigated to MEDIUM PRIORITY (C 1). The proposed management action

refers to training staff in Adult Protection Orders and having a draft annual plan for the Regional Adults / Childrens Safeguarding Board. It should be borne in mind that safeguarding is a multi-agency responsibility by definition and in statute, and that the effectiveness of the Council and the Directorate in this respect is dependent on strong partnership around shared risk with the other statutory safeguarding partners (Police, Probation and Health). Cardiff is able to exercise leadership of this critical agenda via the Director of Social Services as the joint chair of both the Adults and Children’s Safeguarding Boards; Cardiff also hosts the Regional Safeguarding Boards’ Business Unit.

- *Social Services – provision* – failure to provide robust and adequate social services in the context of increasing costs and limited resources. This has an inherent risk of HIGH PRIORITY (B 1), and is mitigated to MEDIUM PRIORITY (C 1). A major thrust of the Directorate’s Annual Delivery Plan focuses on improving the quality of services on a continuous basis and on a lynch-pin commitment to re-balancing resources, energy and effort, in favour of prevention and supporting a greater number of people in the homes and families. This re-balancing in favour of more effective prevention is critical to good population outcomes and the long-term financial stability of robust social services and it is embedded throughout the Delivery Plan.
- *Promoting independence* – failure to sustain an effective whole system approach that enables adults with significant health needs to remain in, or return to, their own homes and reduces the need for / length of hospital stays. This has an inherent risk of HIGH PRIORITY (B 1), and is mitigated to MEDIUM PRIORITY (C 1). There are a number of proposed management actions, including strategic reviews of reablement and of commissioning. The Directorate continues to make good progress in this direction and it is noteworthy that overall demand for care and support within Adult Social Services has reduced in the face of significant growth in the over 65 population; performance in relation to delayed transfers of care has improved significantly from 98 in April to November 2016-17 to 70 for the same period this year; a 29% reduction in delays for social care reasons (aged 18+).

Details of the position at the 2017/18 Quarter 2 review were reported to the meeting of the Audit Committee on 28.11.2017. The Quarter 3 review is underway and will be finalised in SMT in mid to late February 2018.

Figure 1: Directorate Underpinning Business and Risk Management Structure



4. Senior Management Assurance Statement

The Assistant Directors of Adult and Children's Services each complete a Senior Management Assurance Statement and the Directorate Management Team consider both and agree an overall position for Social Services.

Issues considered in the Senior Management Assurance Statement are primarily found to have Strong Application or be Embedded across Social Services. Savings / income target delivery is rated as Mixed Application because, whilst savings have achieved by the Directorate, savings targets have not been fully met. Work in the Directorate to identify and achieve cost avoidance and savings is continuous and ongoing. Future generations considerations is rated as Mixed Application because work to project and meet future demand has commenced, but is not embedded.

The overview of assurances is attached at **Appendix C** to this note.

5. Monitoring / implementing recommendations made in Internal Audit reports

Audit	Status	Assurance rating	Number of recommendations	Number implemented
Children with Disabilities	Final report issued	Effective with opportunity for improvement	3	1
Homecare (Mobile Scheduling)	Final report issued	Insufficient with major improvement needed	15	7
Payments to Care Leavers	Final report issued	Limited	11	4
Payroll	Final report issued	Effective with opportunity for improvement	6	0
Payment processes	Draft report issued			

The recommendations made for final reports issued are reported to every meeting of the Audit Committee on the **recommendation tracker** that is attached to the Internal Audit progress report. Managers are contacted before every Audit Committee meeting for an update on the implementation of recommendations, and the recommendations remain on the tracker until managers confirm that they have been fully implemented, at which point they are marked as closed.

The recommendations that will be included on the recommendation tracker for the January meeting of the Audit Committee are attached at **Appendix D** to this report.

AUDIT PLANNING AND LIAISON

The draft audit plan is presented to Audit Committee in January of each year to allow members to review the broad themes and time allocations.

Once the draft plan has been agreed, the Relationship Manager will meet with the Director and management team to discuss the corporate themes and the number of audit days that will be allocated to each of those themes in the Directorate. Also discussed at these meetings are any areas of concern that the Director would like Internal Audit to

review and the number of audit days that will be allocated to these assurance or consultation pieces.

This is then presented back to Audit Committee in March for final agreement by members. During the year, there are regular, quarterly meetings with the Relationship Manager to discuss progress against the agreed plan and to discuss any emerging risks that might need to be reviewed during the year. Any audits that cannot be undertaken at that time (such as due to on-going system changes) will also be discussed at these meetings. If any changes are made to the agreed audit plan, these are reported to the next meeting of the Audit Committee for the members to agree.

Auditors also meet with managers at each audit for initial scoping of the audits and at the end of the audit prior to the draft report being issued to discuss the main findings. Managers will also contact Internal Audit for advice and guidance on any matters of internal control and auditors have been involved with system and process development.

Recommendations

6. To note the contents of the report and consider any comments or questions.

NAME Tony Young

DESIGNATION Director of Social Services

Date 23rd January 2018

The following Appendices are attached:

Appendix A – Budget 2017-18

Appendix B – ACRF Timeline 2016-17

Appendix C – SMAS 2017-18 Mid Year

Appendix D – Recommendations Tracker