

AUDIT COMMITTEE: 22nd January 2019

**SOCIAL SERVICES UPDATE ON INTERNAL CONTROL ENVIRONMENT
REPORT OF DIRECTOR OF SOCIAL SERVICES AGENDA ITEM: 4.1**

Reason for this Report

1. This report has been produced in response to the Audit Committee's request for an update on governance and control within the Social Services Directorate. 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 citizen and community at some point, usually at a point of significant individual vulnerability. 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.
3. To support this challenging agenda, the Directorate currently engages 977 FTE employees (525 in Adult Services, 309 in Children's Services and 141 in Strategy, Performance and Resources) and commissions a 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 included in the slides attached at Appendix A.
4. Cardiff Council's Social Services Directorate is also responsible for the largest single controllable spend (£153,486) across the council (after delegated schools budgets). It is significant that 72% of the budget is spent on commissioned services.

Issues

- (a) Management / mitigation of the directorate's risks on the Corporate Risk Register
5. A Situation, Background, Assessment, Recommendation (SBAR) process has recently been introduced in Social Services. Managers complete an SBAR to identify key risks and how they are to be mitigated / controlled. The SBAR is considered at the Directorate Management Team (DMT) and a decision is taken regarding whether the risk should be escalated to inclusion on the Directorate Risk Register. Risks are not only discussed at DMT but also at the Adult and Children's Services Management Meetings to ensure that the wider management group have oversight and an opportunity to contribute to the identification and management of risk. Risk Registers

are reviewed quarterly at DMT and the Risk Champion, in conjunction with the Policy Initiative Officer, liaises with Assistant Directors and Operational Managers to inform the process. Progress against actions in the Corporate Plan and Directorate Delivery Plan is monitored on a quarterly basis and updates inform the review of Risk Registers. Operational Managers also undertake self evaluations of their service areas and report into a monthly Quality and Performance review chaired by the Director of Social Services. The self evaluations identify strengths, areas of improvement and improvement actions. During quarterly review, consideration is given as to whether any of the risks on the Directorate Risk Register need to be escalated to inclusion on the Corporate Risk Register. Risk ratings for all risks are considered during quarterly review and amended as required.

6. The Corporate Risk Map for Quarter 2, 2018/19 (along with the summary CRR and detailed CRR) was presented to the meeting of the Audit Committee in November 2018. Two Social Services risks are captured on the Corporate Risk Register (CRR) and these are summarised below. Details are attached at Appendix B for information.
7. **Safeguarding** (Joint responsibility with Davina Fiore)
Systemic failure in the effectiveness of the Council's safeguarding arrangements together with other statutory safeguarding partners, including failure to comply with Court Orders. This has an inherent risk of HIGH PRIORITY (B1), and is mitigated to MEDIUM PRIORITY (D1). Proposed management actions are set out in Appendix B. It is important to understand, 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 Council directorates (education and housing) and 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.
8. **Increase in Demand (Childrens' Services)**
Failure to effectively manage demand resulting in increase in number of looked after children and the service and financial pressures this presents. This has an inherent risk of HIGH PRIORITY (B1), and is mitigated to HIGH PRIORITY (C1). Proposed management actions are set out in Appendix B.

(b) Senior Management Assurance Statement

9. A Senior Management Assurance Statement (SMAS) is completed independently by the Assistant Director, Children's Services and the Assistant Director, Adult Services. Their comments and judgements are collated into an overarching statement for Social Services that is considered and agreed at DMT to enable the Director of Social Services to provide a position statement that reflects the Directorate as a whole.
10. As a new Director reviewing the SMAS for the first time, I have been careful to understand the evidence that underpins the rating and the assurances. The reasons for this are explained below. Some issues considered in the SMAS are considered to be embedded and therefore found to have strong application; e.g. programme and project assurances, business planning and fraud and financial impropriety.

11. Mixed application ratings for risk management reflect the fact that the SBAR process is in its infancy and therefore needs further embedding before it can be reported as “strong”. Early indications are that there is evidence to suggest that it is an effective system that will become fully embedded in practice over time.
12. Compliance with policies and the internal control environment are rated as mixed application because a mechanism is currently in place to review Directorate policies and procedures to bring them in line with new legislative requirements.
13. 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.
14. Future Generations considerations is rated as Mixed Application because, in common with other Council directorates, work to project and meet future demand has commenced, but is not embedded.
15. Performance measurement and management is rated as mixed application because, whilst good performance mechanisms are currently in place, these are being reviewed and new mechanisms are being introduced to strengthen arrangements for the future and embed a strong performance culture across Social Services.
16. The overview of assurances is included in the slides attached at Appendix A for information.

(c) Internal Audit Engagement and Response

17. 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.
18. Auditors 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.
19. Internal audits enable the Directorate to make positive developments and continuously improve practice and processes. Internal Audit Reports are considered by Assistant Directors and Operational Managers in association with relevant staff in order to develop an action plan in response to the recommendations. Action plans are signed off at Directorate Quality & Performance Meetings. Outstanding recommendations from all internal audits are collated into an overarching recommendations tracker for consideration at Quality & Performance Meetings alongside recommendations from other reports such as complaints investigations, practice reviews and inspections. This enables me, as the Director of Social Services, to have oversight, assurance and ensure that recommendations are implemented.
20. At the time of writing, 2 audits are underway, and 10 have been completed. Of the 10 completed audits:
 - 1 was found to be effective and made no recommendations.
 - All actions have been implemented from 3 reports.
 - 3 reports have actions that are due for completion in 2019

- 3 reports have outstanding actions with revised implementation dates.

21. In relation to the audits with outstanding actions, whilst there has been a delay in implementing some recommendations and I can assure Audit Committee that work has been undertaken to tighten the monitoring of action plans to reduce slippage in future. These actions have all been reviewed by my management team and work towards implementation is ongoing. The establishment of a tracker (outlined above) has enabled closer monitoring and response to internal audit action plans, improving the timeliness of implementation of actions.

22. Audits completed during 2017/18 and to date in 2018/19 are summarised in the table below:

Audit	Report Status	Assurance Rating	Outstanding Actions	Completed Actions	Total Actions	Implementation Status
Commissioning & Procurement	Final report issued	Effective with opportunity for improvement	0	2	2	Completed
Payment Processes	Final report issued	Effective with opportunity for improvement	0	2	2	Completed
Payroll	Final report issued	Effective with opportunity for improvement	0	6	6	Completed
Regional Social Care Training Unit	Draft	Effective with opportunity for improvement	4	0	4	Not yet due
Partnerships & Collaborative Governance	Final report issued	Effective	5	0	5	Not yet due
Corporate Safeguarding Arrangements	Draft	Insufficient With Major Improvement Needed	3	0	3	Not yet due
Children with Disabilities	Final report issued	Effective with opportunity for improvement	2	1	3	Target date revised
Homecare (Mobile Scheduling)	Final report issued	Insufficient With Major Improvement Needed	2	13	15	Target date revised
Payments to Care Leavers - follow up audit	Final report issued	Limited	5	6	11	Target date revised
Asset Management	Not started	Pending	0	0	0	Audit ongoing
Budgeting and forecasting	Fieldwork	Pending	0	0	0	Audit ongoing
Effective decision making	Final report issued	Effective	0	0	0	No recommendations

23. 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.

(d) Health Inspectorate Wales (HIW) and the Care Inspectorate Wales (CIW) joint inspection of adult community mental health services at The Links Community Mental Health Team (CMHT)

24. Citizens reported that they were pleased with the service they received. CMHT staff members were reported as being professional, committed and highly motivated in the care of their service user group and this was reflected in what citizens said during the inspection. Overall management and leadership were found to be effective and staff reported that they felt supported. Good opportunities for more specialist training were noted and staff had access to supervision and performance reviews. Improvement actions are being taken forward via an Improvement Plan; the only remaining action for Social Services is around responding to the care and treatment plan review done by Public Health and it is estimated that this will be completed before the end of May 2019.

(e) Wales Audit Office Review of Prevention

25. Welsh Audit Office as part of their fieldwork into the first point of contact assessments under the Social Service and Well-being (Wales) Act 2014 visited Cardiff in November 2018. Over the course of 3 days the auditors were shown the Cardiff approach of co-located services and met with teams and services users from the First Point of Contact (including Social Workers), Independent Living Officers, Community Alarm and Meals on Wheels, Grand Avenue Day Centre and the Smart House. The feedback was very positive and output of this review will lead to a national report, where hopefully Cardiff will be referenced as an area of good practice.

(f) CIW Inspection of Crosslands Children's Home

26. The report was completed in December 2018. The inspection did not find any areas where the service was in breach of its legal obligations. Overall, the report evidenced excellent practice. A small number of recommendations were made and these are being taken forward. The report found that "young people are well cared for by consistent staff and management team. Young people are supported by a well trained staff team who use the "Signs of Safety" as the underpinning model of care alongside restorative justice, individual plans and risk assessments. Care is taken to involve young people in education, health, social, and leisure activities and to maintain positive family links in line with individual care plans. We found that young people were making progress."

Legal Implications

27. The statutory functions of the Audit Committee include the duty to review, scrutinise and issue reports and recommendations on the appropriateness of the authority's risk management, internal control and corporate governance arrangements (pursuant to Part 6 Chapter 2 of the Local Government (Wales) Measure 2011). In discharging its functions, the Audit Committee must have regard to all relevant guidance, in particular the CIPFA guidance for Audit Committees.

Financial Implications

28. The financial implications (if any) arising from this report have been contained within the body of the report.

RECOMMENDATIONS

29. That the Committee considers and notes the content of the report.

Claire Marchant
Director of Social Services
22nd January 2019

The Following are attached:

Appendix A: Audit Committee Presentation
Appendix B: Corporate Risk Register Q2 2018/19 Extract