

ARGYLL & BUTE COUNCIL

Internal Audit Section

INTERNAL AUDIT REPORT

CUSTOMER DEPARTMENT	CUSTOMER SERVICES
AUDIT DESCRIPTION	RISK BASED AUDIT
AUDIT TITLE	FOSTERING & ADOPTION ARRANGEMENTS
AUDIT DATE	JANUARY 2015

2014/2015



1. BACKGROUND

This report has been prepared as a result of the Internal Audit review of the Adoption and Foster Care Services within Children and Families planned as part of the 2014-15 Internal Audit programme.

Adoption legally and permanently secures a child or young person in a loving family. Adoption is widely regarded to offer the best outcomes for many accommodated young children. Fostering is very different to adoption and offers a variety of placement options including permanent care, temporary care and respite care depending on the needs and circumstances of the child or young person's birth parents. Many children and young people are successfully reunified with their birth families.

Argyll and Bute Council Adoption Service provides a service for children, young people and their families, who are assessed as in need of this service. The service recruits and supports adoptive parents to provide families for those children who cannot live with their birth parents or extended family members and whose needs have been assessed as best met in an adoptive family.

The services aims and objectives are to promote the welfare of children and young people who require foster care or substitute family care: meeting education, health, culture, linguistic, racial and religious needs and providing all within the framework of National Care Standards.

Argyll and Bute Council pays Fostering Allowance to 34 foster carer households in respect of 54 placements as at December 2014. There are other approved foster carers who are multi-registered and provide a range of services from emergency placement through to respite and permanent placements. The budget for financial year 14/15 is £827k.

Argyll and Bute Council currently pay adoption allowances in respect of 13 children. Not all families adopting a child are entitled to an allowance – allowances are recommended by an Approval and Matching panel and agreed by the Agency Decision Maker. The budget for Adoption Allowances for financial year 2014/15 is £108k.

The service has been through a service review with a number of management and staff changes. Systems and processes are in some instances in their infancy and under development.

2. AUDIT SCOPE AND OBJECTIVES

The scope and objectives of the audit are limited to:

- Assessment of Fostering allowances framework.
- Review of agreements between Argyll and Bute Council and Foster carers to assess whether they are complete, regularly reviewed and updated.
- Review of Argyll and Bute Foster Carers Handbook including an assessment of training and support available to Foster carers.
- Review of Adoption and Fostering feedback/surveys and questionnaires results and implementation of actions arising.

3. RISKS CONSIDERED

ORR - Failure to improve the life chances of looked after children.

ORR - Failure to ensure vulnerable children and their families are given assistance to help them achieve the best start in life.

Audit Risk: Inconsistency in service delivery.

Audit Risk: Non –compliance with legislative requirements.

4. AUDIT OPINION

The level of assurance given for this report is Substantial.

Level of Assurance	Reason for the level of Assurance given
High	Internal Control, Governance and the Management of Risk are at a high standard with only marginal elements of residual risk, which are either being accepted or dealt with.
Substantial	Internal Control, Governance and the Management of Risk have displayed a mixture of little residual risk, but other elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
Limited	Internal Control, Governance and the Management of Risk are displaying a general trend of unacceptable residual risk and weaknesses must be addressed within a reasonable timescale, with management allocating appropriate resource to the issues.
Very Limited	Internal Control, Governance and the Management of Risk are displaying key weaknesses and extensive residual risk above an acceptable level which must be addressed urgently, with management allocating appropriate resource to the issues.

This framework for internal audit ratings has been developed and agreed with Council management for prioritising internal audit findings according to their relative significance depending on their impact to the process. The individual internal audit findings contained in this report have been discussed and rated with management.

A system of grading audit findings, which have resulted in an action, has been adopted in order that the significance of the findings can be ascertained. Each finding is classified as High, Medium or Low. The definitions of each classification are set out below:-

<p>High - major observations on high level controls and other important internal controls. Significant matters relating to factors critical to the success of the objectives of the system. The weakness may therefore give rise to loss or error;</p> <p>Medium - observations on less important internal controls, improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system and items which could be significant in the future. The weakness is not necessarily great, but the risk of error would be significantly reduced if it were rectified;</p> <p>Low - minor recommendations to improve the efficiency and effectiveness of controls, one-off items subsequently corrected. The weakness does not appear to affect the ability of the system to meet its objectives in any significant way.</p>

5. FINDINGS

The following findings were generated by the audit:

Fostering Allowances Framework

- It was evidenced that a framework is in place in respect of foster carers' allowances which is compliant with relevant legislation and guidance, detailed and fit for purpose. It was noted that the Framework had also been subject to recent review.
- Payments of foster carers allowances are appropriately authorised prior to payments being made.
- The current payment process is labour intensive with a number of manual interventions. It was noted that a planned move to the care financials within the care-first system has not progressed as scheduled.
- The system for payment of foster carer expenses is a paper based manual procedure.
- It was noted that Community Services and Strategic Finance facilitated an advice session between representatives from HMRC and service users on the tax implications of foster care payments.

Foster Carers Agreements

- There are no guidance procedures available in respect of completion and renewal of agreement documentation.
- Of the files reviewed it was noted that signature sections on the agreements were incomplete, e.g. some did not have the signature of a council representative.
- Of the files reviewed it was noted that reference was made to the Allowance framework however this did not always reflect the updated or current allowances.
- Roles and responsibilities in respect of updating agreements are not clear and as a result there is a risk of agreements not reflecting all agreed changes.
- The content and structure of the agreement is currently under review however it was noted that the work commenced in relation to this in 2013 and to date has yet to completed.

- The commitments given by the Council to the foster carers contained in the agreement include the following:
 - A link worker is named and contact details are given. Sample review of files found this to be in place.
 - The Council provides an annual programme of training events. It was noted that an annual programme has not been developed however individual training sessions did take place.
 - The Council pays membership of The Fostering Network. Payments were evidenced as having been made.
- The commitments given by the Foster Carers to the council contained in the agreement include the following:
 - Agreement to undergo PVG checks: PVG checks were evidenced as taking place.
 - A commitment to provide copies of annual Home and Car Insurance documentation. Copies of relevant documentation were evidenced as having been submitted.
- It was noted that arrangements for record keeping are fragmented and information is held in a number of separate systems, i.e. Hardcopy files, Network drives and formal Information management system (CareFirst).

Foster Carers Handbook

- A foster carers' handbook is in place which is comprehensive and details the information required by carers including procedural guidance and practical advice, however this requires some updates and it was noted that it is currently under review by the Family Placement Team and will be updated pending the adoption of national foster carer review recommendations.
- The handbook is currently a large folder and is given to each foster carer household. An electronic version is not currently available.

Fostering Feedback/Surveys and Questionnaires

- It was evidenced that in respect of Training and Group meetings the Service undertakes self-assessment by means of evaluation returns / feedback questionnaires. Feedback is incorporated into self-assessment and corresponding action and improvement plans.
- A requirement of the agreement states Foster Carers should be getting a supportive and helpful service from the Council in undertaking the task of caring for the child. The Service undertakes an annual self-assessment exercise which informs external inspection activity. The service is currently graded "GOOD" in respect of Carers support, Staff, Management and Leadership.

- A named contact for Foster Carers is in place which allows a clear communication channel between both parties. Communication is both informal and formal in nature and issues have been identified in relation the use of personal email addresses by Foster carers and associated data security requirements.

6. CONCLUSION

This audit has provided a substantial level of assurance. There are a number of recommendations for improvement identified as part of the audit and these are set out in Appendix 1 and 2. There are 5 medium recommendations set out in Appendix 1 which will be reported to the Audit Committee. There is 1 low recommendation which is not reported to the Audit Committee. Appendices 1 and 2 set out the action management have agreed to take as a result of the recommendations, the persons responsible for the action and the target date for completion of the action. Progress with implementation of actions will be monitored by Internal Audit and reported to management and the Audit Committee.

Thanks are due to the Community Services, Family Placement team and management for their co-operation and assistance during the Audit and the preparation of the report and action plan.

APPENDIX 1 ACTION PLAN

Findings	Risk Impact	Rating	Agreed Action	Responsible person agreed implementation date
1. Foster Carers Agreements		High/ Medium or Low		
The content and structure of agreement is currently under review. There are no guidance procedures available in respect of completion and renewal of agreement documentation.	Failure to accurately record agreements.	Medium	A procedure will be written and implemented for the renewal of agreements. Including guidance on the formal sign off of agreements and investigating the use of electronic signatures.	Practice Lead – Foster & Adoption March 2015
2. Roles and responsibilities		High/ Medium or Low		
Roles and responsibilities in respect of updating agreements are not clear and a result there is a risk of agreements not reflecting all agreed changes.	Inefficient use of resources and increased risk of error.	Medium	Clarity of responsibility of Family Placement team and The Care Assessment and Reviewing Team will be laid out in new procedure.	Practice Lead – Foster & Adoption May 2015

Findings	Risk Impact	Rating	Agreed Action	Responsible person agreed implementation date
3. Record Keeping		High/ Medium or Low		
It was noted that arrangements for record keeping are fragmented and information is held in a number of separate systems.	Inefficient use of resources, Increased risk of error and poor decision making. Negative impact on transition arrangements.	Medium	The Adoption and Fostering Service operates Carefirst as its primary record keeping system and is in the process implementing further Carefirst modules to improve management information and the payment of allowances.	Practice Lead – Foster & Adoption/ Administrative Assistant/Administrative Officer/Systems Support Officer September 2015
4. Foster Carers Handbook		High/ Medium or Low		
The handbook requires to be updated. Foster carers are provided with a hardcopy in the form a large folder. An electronic version is not currently available.	Increased risk of non-adherence to agreed policy and protocols.	Medium	Update of handbook completed and decision whether to make fully electronic.	Practice Lead – Foster & Adoption September 2015
5. Communications		High/ Medium or Low		
Issues have been identified in relation the use of personal email address by Foster carers and associated data security requirements.	Non-compliance with data security and legislative requirements.	Medium	Management will review current practice and give consideration to alternative secure protocols.	Locality Manager – OLI September 2015

APPENDIX 2 ACTION PLAN

Findings	Risk Impact	Rating	Agreed Action	Responsible person agreed implementation date
6. Fostering Allowances Framework		High/ Medium or Low		
The current system is labour intensive with a number of manual interventions. It was noted that a planned move to the care financials within the CareFirst system has not progressed as scheduled.	Inefficient use of resources	Low	Move to “care financials” will be rescheduled. The use of electronic templates and signatures will be implemented for Carers expenses.	Practice Lead – Foster & Adoption/ Accountant/Systems Support Officer December2015

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