

Audit Committee

Minutes of the meeting held on 28 July 2015

Present

Councillor Ollerhead (In the Chair)
Councillors Ahmed Ali, Hassan, Lanchbury, Siddiqi, Watson
Independent co-opted member Mr S Downs

Also Present

Simon Livsey – Grant Thornton
John Farrar – Grant Thornton

Councillor John Flanagan, Executive Member for Finance and Human Resources

Apologies

Councillors Barrett, Hackett and Russell

AC/15/29 Chair

Councillor Ollerhead was nominated to chair this meeting in the absence of Councillor Hackett. This was seconded and approved.

Decision

To appoint Councillor Ollerhead to chair the meeting.

AC/15/30 Minutes

The minutes of the meeting on 11 June were submitted. A member asked for the list of those at the meeting to be amended to show that members not on the committee were “also present” rather than listed with the members of the committee.

Decision

To agree the minutes of the meeting on 11 June 2015 subject to the above amendment.

AC/15/31 Annual Accounts 2014/15

The draft Annual Accounts 2014/15 were submitted to the Committee for consideration. The accounts had been signed by the City Treasurer as a true and fair view of the financial position of the Council and its income and expenditure for the year ending 31 March 2015. The Corporate Finance Lead – Strategic Finance and Accountancy gave a detailed presentation to members that explained the content and structure of the annual accounts.

The City Treasurer explained that the Chartered Institute for Public Finance and Accountability (CIPFA) were about to consult with local authorities on the simplification of the content of annual accounts. In future years, the Council would also be required to account for the value of infrastructure assets such as roads. The Committee welcomed the prospect of simplification of the accounting process and associated documents but they were concerned about additional requirements in the accounts.

The Committee discussed the Better Care Fund and how this would be monitored. A member asked how the objective of ensuring greater transparency and control over the funding used to support integrated care, would be met. The Deputy Chief Executive (People) explained that the fund was established under a Section 75 (NHS Act 2006) pooled budget agreement. This would set out how the Better Care Fund aligned with health and social care budgets, and how this money is being invested into integrated care. The budget is subject to scrutiny. The Committee agreed to recommend that the Finance Scrutiny Committee review the Better Care Fund budget, how it would be spent and the outcomes expected. A member also suggested that the Health Scrutiny Committee could look at individual elements of the Better Care Fund.

Grant Thornton confirmed that the accounts were received in compliance with the deadline and it was good practice for these to be reviewed by audit committees before they were brought for final approval. The Committee noted that the final accounts would be brought to the Committee in September and they thanked everyone involved in the process of collating the accounts for all of their hard work.

Decision

1. To note the draft 2014/15 Annual Accounts.
2. To recommend that the Finance Scrutiny Committee review the Better Care Fund budget

AC/15/32 Update Report on the Ofsted Improvement Programme

The Deputy Chief Executive (People) and the Interim Director of Children's Services provided an oral update on the Ofsted Improvement Programme. Following a request at the last meeting of the Audit Committee, the latest update report to the Children's Improvement Board had been circulated to members for information.

The Deputy Chief Executive explained that the focus of the Improvement Programme was not only to respond to the individual recommendations from the Ofsted inspection but to also look at how children's social work services could be reformed to ensure that they were sustainable in the long term. This would include an increased focus on value for money to ensure that funding was directed to improving services and providing better outcomes for children in care.

The Improvement Programme was based around a number of key areas of improvement. The first focus was changing leadership and management culture in the service with more focus on performance management and quality assurance of

casework. Staff viewed this as a helpful process and generally felt that top-level management had a better understanding of the day-to-day pressures in the service.

The second focus was around the workforce and reducing caseloads of each individual social worker. Through better recruitment and retention of staff, the target for qualified social workers has been met, and the target for newly qualified social workers had nearly been met. Measures were in place to retain these staff to ensure stability of the service. The Personnel Committee also recently approved a new management structure. Recruitment to the new management posts was complete, and it was expected that officers would be in place by October. A new Director and Deputy Director would also be in place. There have also been improvements to the practice and the case management system to enable social workers the time and tools to ensure that information is recorded correctly throughout cases.

The Deputy Chief Executive also described the work of the Multi Agency Safeguarding Hub, and the revised Early Help offer with three Early Help hubs bringing partners together at a local community level. These aimed to improve to access to services and reduce demand for high level services. They were using a revised common assessment framework which helped to appropriately identify risk and refer people into social work at the right time. This would effectively reduce demand and ensure resources were directed into the most appropriate place. Safe management of children in the social care system was also a priority with focus being supporting children to return to their families where appropriate. Substantial improvements to the fostering and adoption services were also planned.

The Council has funded these improvements through a one off investment of £14m from the Council's budget over the next four years. Overall, progress had been made but there was still some way to go. The Deputy Chief Executive explained that this was a long-term improvement plan that would be implemented over the next 2 to 3 years. The Interim Director of Children's Services explained that the Improvement Programme was monitored by the Safeguarding Improvement Board with an Independent Chair that reported directly to the Minister. Feedback from the first review from the Department for Education was positive. In terms of the audit work being undertaken, the Head of Internal Audit and Risk Management confirmed that elements of the improvement programme would be included within the internal audit work programme in 2015/16.

The Committee discussed the focus on reducing social worker caseloads and the investment into recruitment and retention of social workers. A member was concerned that similar approaches in the past had resulted in short term improvements but these were not sustainable. The Deputy Chief Executive confirmed that the focus on whole system changes, rather than changing just one element of the service would ensure that improvements were long term. The Committee agreed that the service needed to be regularly audited against a series of performance measures to ensure that this was the case, and this should be reported back to the Committee. The Committee also highlighted the importance of social workers feeling valued in their role as staff morale was a crucial factor in the success of the service. The Interim Director agreed and summarised the role of management in supervising staff and supporting professional development.

A member asked about lessons learned from the Ofsted inspection and how they would be applied to other service areas to prevent the same thing from happening again. The Deputy Chief Executive explained that other services were being reviewed, and gave an example of the peer review of Adult Services. This found that there was not the same level of disconnection between elements of the service that there was in Children's Services. It was important to focus on overall service improvement rather than inspections to ensure what is right for Manchester is delivered.

Decision

To note the report.

AC/15/33 Governance Improvement Progress for Partnerships with Medium and High Risk Assessment Ratings

The Board considered a report of the City Treasurer and the Deputy City Treasurer, which provided an update on the progress made to strengthen governance arrangements in the nine partnerships which were rated medium or high risk in the 2014 Register of Significant Partnerships. The Committee had requested this at its January meeting. The Performance and Intelligence Lead introduced the report and updated members on the arrangements for individual partnerships, in particular the Manchester Children's Safeguarding Board. The next annual partnership self-assessments will begin in September and will be reported to the Audit committee in January 2016.

The Committee discussed their concerns around the governance arrangements for SHOUT Tenant Management Organisation. This partnership risk level was rated "high" due to the limited Council resources to monitor the performance and governance of the partnership. A member suggested that internal audit review the partnership, as it had with Avro Hollows. The Head of Internal Audit and Risk Management noted that there were no plans for internal audit to get involved at the present time but he would take this issue up with the Director of Housing. The Committee agreed to recommend that the Neighbourhoods Scrutiny Committee review the operation and governance of the two Tenants Management Organisations in Manchester.

Members discussed the operation and changes made to the Manchester Children's Board and Adult Safeguarding Board. The Performance and Intelligence Lead explained that the Executive Member for Children's Services would now chair the Children's Board, with a Deputy Chair from the NHS to ensure robust challenge. The Interim Director of Children's Services explained that the board was no longer statutory, so it carried less risk to the local authority in terms of its operational requirements. In terms of the Adult Safeguarding Board, the Director of Adult Social Care explained the improvements that had been made as a result of recommendations arising from the peer review. The Board still had some way to go to reduce their risk rating but they were in a much stronger position than several months ago.

In discussion of the Manchester Equipment and Adaptations Partnership (MEAP) and

the risks associated with not having a service level agreement in place, members expressed concerns about whether this was viable as the Council and its partners moved to implement integrated health and social care. Members agreed that it was a fundamental partnership in this agenda and it should be given more focus. The Director of Adult Social Care agreed, and also explained that the proportion of funding from health services for equipment and adaptations had been agreed in writing and was being adhered to. The Deputy Chief Executive said that all partnerships would be reviewed over the next 5 years to ensure they are sustainable and operating effectively in the content of the integrated care agenda.

Decision

1. To note the report.
2. To ask the Neighbourhoods Scrutiny Committee to review the operation of Manchester's Tenant Management Organisations.