

**Manchester City Council  
Report for Information**

**Report To:** Audit Committee - 3 September 2018  
**Subject:** Children's Services Audit Recommendations  
**Report of:** Strategic Director of Children's Services

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**Summary**

This report will provide an update on actions taken and proposed following internal audit recommendations in respect of the Foster Carers Framework and Multi Agency Safeguarding Hub. It confirms actions taken, contextual matters and further work planned to address risks identified and agreed in the audit reports.

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**Recommendations**

Audit Committee are asked to consider the assurance provided by the update report.

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**Wards Affected: All**

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**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- NW Foster Carer Framework report to Audit Committee January 2018
- Outstanding Audit Recommendations report to Audit Committee July 2018

## 1. Introduction and Background

- 1.1. In January 2018 Audit Committee were provided with an update on actions taken in response to recommendations made in an internal audit of the North West Foster Care contract. The report confirmed that two recommendations had been implemented and two had been classified by Internal Audit as partially implemented.
- 1.2. Internal Audit provided a further update to Committee in July 2018 as part of their Outstanding Audit Recommendations report. This noted that the two recommendations had still to be fully implemented. It also noted that four recommendations from the Multi Agency Safeguarding Hub Internal Audit report had still to be implemented in full.
- 1.3. In response to Internal Audit's update report, Audit Committee requested a management update to confirm actions being taken to address risks identified in these two audits.

## 2. NW Foster Care Contract

- 2.1. Actions have been taken in response to two outstanding audit recommendations and these were reviewed by the Internal Audit Team in August. The two recommendations and current position are as follows:

### Addressing Under / Overpayments

- 2.2. Having identified under and over payments to providers as part of their work, internal audit recommended that actions be taken to validate the accuracy of all existing placement charges to identify extent of discrepancies and potential under/over payments.
- 2.3. A significant amount of work has been undertaken in response to this recommendation as reported to Committee in January and July 2018. The key areas of progress are as follows:
  - From a review of the highest value payments for historic cases, a sum of £90k was identified as overpaid and was being recovered.
  - As at July 2018 all open cases have been reviewed and confirmed as accurate. This whole case review identified a small net overpayment of £186 out of a total weekly payment of over £300k. Investigation of these variances is ongoing with focus on the larger overpayments and ensuring these are corrected.
  - An improved system to monitor charges is being designed based around a large spreadsheet which incorporates information about the child, placement and framework rates and compares this with invoice information provided by finance. This is a highly manual process though effort is being made to automate as much of the process as possible.
  - Data cleansing exercises are being undertaken along with the use of spreadsheet formulas to help with automatic flagging of key variances.

- 2.4. Developments planned in the finance and care systems are being designed to improve automation and links between systems to enhance efficiency and minimise the risks of errors as identified in the audit reports.
- 2.5. Internal Audit have confirmed that whilst this remains a highly resource intensive process and efforts will have to continue to be made to review payments, the actions taken have been sufficient to confirm this recommendation as having been implemented.

#### Risk Evaluation and Provider Monitoring

- 2.6. Internal Audit confirmed that the process for risk evaluating suppliers was unclear and visits to suppliers were not taking place; and recommendation that a risk evaluation process be developed and a programme of related provider monitoring visits be undertaken.
- 2.7. A number of attempts at developing an evaluation and monitoring process had been trialled following the audit. Following changes in leadership and management across the service and a refocus on risk evaluation and monitoring, the proposed approach focuses on combining key information available to the Council and supplier self-assessment. This information will be collated and risk rated to determine whether further officer visits are required to suppliers. In using this approach visits to providers have commenced with a series of visits planned through to March. The templates to support this have been created but, in the interim, provider visits are taking place based on previous risk ratings of suppliers.
- 2.8. Internal Audit have reviewed the proposed approach and have confirmed that once implemented and sustained it should address the concerns raised in the original audit report. At this stage they can only assure the actions as partially implemented.

### **3. Multi Agency Safeguarding Hub (MASH)**

- 3.1. As reported to Audit Committee in July, four recommendations from the September 2017 Internal Audit of the MASH were deemed to be outstanding. The issues raised by Internal Audit were as follows:
  - Lack of clear, concise, and up-to-date operational procedures, including a strategy for achieving service delivery objectives.
  - Inconsistency of approach in obtaining and recording consent of the parent/carer and when accepting referrals into the MASH.
  - Reporting did not provide evidence that the highest urgency cases were prioritised and completed within the target time of one working day.
  - The MASH Performance Dashboard showed separate reporting of timeliness within the Contact Centre and timeliness within the MASH, whereas the statutory requirement of 'one working day' would be inclusive of both of these stages.

- 3.2. The actions taken and current position in response to these issues is set out below:

#### Operational Procedures and Strategy

- 3.3. A Memorandum of Understanding (MOU) has been in place within the MASH. This sets out the structure, governance, desired outcomes and core principles of the MASH. Internal Audit recommended that this be further developed into more detailed procedures to aid consistency of approach and workflow across the MASH.
- 3.4. The MOU has been updated in response to the audit recommendations, most recently in July 2018. Some of the inconsistencies and out-of-date elements that audit had identified have been corrected and more detail on the mapping process for single agency responses has been included. Having undertaken this review the new MASH Operations Manager and the Social Work Consultant are now working on a set of Practice Standards, to be in place by the end of September 2018, to support consistency of practice.
- 3.5. Internal Audit have confirmed that the update of the MOU and the proposed introduction of Practice Standards will help address the risk identified in the original audit and by the end of September this will be fully complete and at that stage the service is confident that Internal Audit will be able to confirm the recommendation has been implemented.

#### Consent

- 3.6. The original audit recommendation to improve compliance with the requirement to record consent (or the reasons for not obtaining consent was to amend the care system to make this a mandatory field requiring completion. This was not deemed possible or cost effective given a new care system is currently being developed. An alternative approach of assessing consent in monthly case audits was proposed to manage the risk of inconsistency and omission and it was understood this risk was passed back to the service to manage under its performance management framework.
- 3.7. This has taken longer than planned and through their follow up work Internal Audit have been unable to provide assurance that there has been a substantive improvement in application of the Consent Policy.
- 3.8. The audit tool used for case audits is being resigned to aid reviewers in the assessment of the approach to consent. This is planned for completion by the end of October 2018.

#### High Risk Case Reporting: Timeliness

- 3.9. Statutory guidance requires that a decision is made on a referral within 'one working day' from receipt; overall performance against this target is around 50% of contacts achieving this target. Internal Audit raised this as a concern and whilst management are assured that the supervisions process ensured the

highest urgency cases were prioritised and completed within the target time, no stratified performance measures by risk level had been created to provide this demonstrable level of assurance.

- 3.10. The MASH Operations Manager now tracks all referrals that progress to a Strategy Discussion (i.e. the highest priority referrals) all of these have met the agreed timescales and reports the results of this dip-sampling (including total population and total sample size) via the Performance Dashboard. This was done for May and June 2018 but due to changes in staffing as not completed in July. The dip sampling of July will be complete by 31 August and practice standards are due to be refreshed by the end of the September.
- 3.11. Internal Audit have reviewed this process and whilst they accept this approach as offering assurance over the review of timeliness, they have noted that this needs to be embedded and have recommended that the way on which information is reported in the Performance Dashboard be amended to provide the numbers of cases and sample sizes so that management can be assured that the level of case testing and review is sufficient.

#### Overall Case Timeliness: Reporting

- 3.12. As part of the original audit, Internal Audit reviewed the MASH Performance Dashboard and made a number of recommendations to help clarify and simplify the reporting measures. One of these was to clearly report on overall timeliness of cases, rather than separately reporting timeliness in the Contract Centre and the MASH.
- 3.13. The Dashboard has now been updated to include a new performance chart measuring overall end-to-end timeliness. It now shows the number of referrals completed in 24 hours, 24-48 hours, 48-72 hours, 72-100 hours, 100-150 hours and over 150 hours. Internal Audit have provided some further comments on this chart to make it clearer what is being reported and performance in both actual and percentage terms to aid management in the review and monitoring of performance.
- 3.14. Whilst these minor changes have been suggested and will be addressed, Internal Audit have confirmed that they consider the actions taken to be sufficient to confirm the original agreed actions as having been implemented.

## **4. Conclusion and Recommendations**

- 4.1. Of six recommendations followed up by Internal Audit in respect of the Foster Care Contract (2) and MASH (4), they have confirmed two as having been implemented. The other four have been progressed but remain partially implemented as the proposed actions are underway but have still to be completed in full.
- 4.2. A key factor in these delays has been changes in management and leadership across both these services but improvement should be sustained now that

management are in post and have a clear understanding of the actions required to address the risks identified in Internal Audit reports.

- 4.3. As these actions are to be finalised in the next 8 weeks or have recently been implemented, the Director of Children's Services will obtain a progress update and management assurance over improved compliance by the end of December 2018.
- 4.4. Audit Committee are asked to consider the assurance provided by the update report.