

Report to:

AUDIT COMMITTEE

Relevant Officer:

Chris Coyle, Assistant Director Children's Social Care

Date of Meeting

27 July 2023

CHILDREN'S SERVICES FINANCIAL SYSTEMS AUDIT FOLLOW-UP

1.0 Purpose of the report:

1.1 To consider a progress report on the recommendations made in the internal audit report of Children's Services Financial Systems issued on the 16 August 2022.

2.0 Recommendation(s):

2.1 To consider the actions being implemented to address the audit recommendations relating to the Children's Services Financial Systems audit.

3.0 Reasons for recommendation(s):

3.1 To enable Audit Committee to consider an update and progress report on the audit recommendations.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 N/a

5.0 Council priority:

5.1 This audit impacts on the Council's organisational resilience priority.

6.0 Background information

6.1 Blackpool Council have a duty of care to support and provide for vulnerable children, whether fostering, special guardianship orders, adoption, leaving care support or emergency discretionary circumstances, there are multiple ways in which a child is supported throughout Children's Social Care. Support provided to the children within the care of the authority have cost implications, some of which are part of an agreed ongoing package of care, others being one-off discretionary payments.

6.2 The scope and assurance statement of the audit was as follows:

Scope

The scope of our audit was to review the financial systems and processes in place, efficiencies that can be made within the processes and further development plans.

Assurance Statement

We consider that the controls in place are inadequate with significant work required to establish a robust audit trail, ensuring appropriate authorisations are obtained and evidenced through the use of manual processing of invoices, and a review of the system development opportunities available to strengthen the overall finance process.

6.3 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 3(a): Internal Audit Recommendations and Agreed Actions.

8.0 Financial considerations:

8.1 The controls being implemented will be done so within current budget constraints.

9.0 Legal considerations:

9.1 Risks need to be effectively managed in order to comply with relevant legislation.

10.0 Risk management considerations:

10.1 To enable the Audit Committee to gain assurance that risks are being effectively managed.

11.0 Equalities considerations:

11.1 Where equality analysis is appropriate these will have been undertaken whilst making decisions relating to the subject.

12.0 Sustainability, climate change and environmental considerations:

12.1 Any matters relating to sustainability, climate change and environmental considerations will be considered when making decisions relating to the subject.

13.0 Internal/external consultation undertaken:

13.1 The progress report has been prepared in conjunction with the relevant Head of Service and Chief Officer.

14.0 Background papers:

14.1 None.

Appendix 3(a) - Agreed Action Plan

<i>Recommendation</i>		<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Revised Target Date for outstanding actions</i>	<i>Progress</i>
<i>R1</i>	We recommend Finance Business Support procedures guides are formalised to include the document owner and review dates to ensure users are aware of current guidance.	3	Completed.	N/A	N/A		

Recommendation		Priority	Agreed Action	Responsible officer	Target Date	Revised Target Date for outstanding actions	Progress
R2	We recommend a working group is established in order to document a Financial Framework, (for example a flow chart), to identify the required journey of invoices for payment. The working group(s) should ensure appropriate approvals are sought in line with the scheme of delegation and a robust method of evidencing this should be introduced.	1	Agreed. Assistant Director of Children's Services (Social Care) to lead a Task and Finish Group in order to establish robust financial processes and produce a financial framework. Completed.	Assistant Director of Children's Services (Social Care)	31st October 2022		Completed. A working group was commenced in Oct 2022 to look at the approach to children's finances. The group has met monthly since to drive this response. The working group has prioritised the activity and the approach around finance framework.

Recommendation		Priority	Agreed Action	Responsible officer	Target Date	Revised Target Date for outstanding actions	Progress
R3	We recommend the membership for the Mosaic Project Board is reviewed to ensure that Children's Services is suitably represented.	2	Agreed. Assistant Director of Children's Services to request an invite to future Mosaic and Core+ Project Board meetings.	Assistant Director of Children's Services (Social Care)	31st August 2022		Completed. The AD for CSC now attends the MOSIAC Project Board. In addition a separate meeting has been set up outside of the board to ensure that there is clarity to the MOSIAC changes requests and the prioritisation of these requests.
R4	We recommend reconsideration to the priority of the Children's Services Purchasing and Payments' project is given, particularly in response to the risks and inefficiencies in current processes identified as part of this audit.	2	Agreed. Assistant Director of Children's Services to raise at Mosaic and Core+ Project Board.	Assistant Director of Children's Services (Social Care)	31st August 2022		Completed As part of the project work to drive this agenda the Childrens Services Purchasing an Payments Project has been prioritised.

Recommendation		Priority	Agreed Action	Responsible officer	Target Date	Revised Target Date for outstanding actions	Progress
R5	We recommend the Business Support (Adult Services) review the authorisation process for payment runs to include the Senior Finance Admin Officer as an authoriser, ensuring segregation of duties is in operation between preparation of the payment run and approval.	2	Agreed. To be reviewed as part of the transition of the Business Support Team from Children's Services to Adult Services.	Business Support Services Manager	31st December 2022		In progress

	Recommendation	Priority	Agreed Action	Responsible officer	Target Date	Revised Target Date for outstanding actions	Progress
R6	We recommend the processes in place to process invoices received via the Home Finding Team are revised to ensure adequate approvals are sought in line with the Scheme of Delegation.	1	Agreed. To be reviewed as part of the Financial Framework Task and Finish Group.	Assistant Director of Children's Services (Social Care)	31st October 2022		<p>In progress.</p> <p>To be completed Sept 2023</p> <p>As part of the response to the audit we are adapting the processes so all request s going through via MOSIAC and approval of all those requests is in line with the scheme of delegation. The system will be set up to prevent deviation from the scheme of delegation.</p> <p>This work will commence with one off requests for children funded via Section 17 and the LAC financial assistance budget.</p>

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R6 (cont)						The forms and systems changes required are currently being built in MOSIAC and will be tested during the summer. There will be plan of education of staff prior to launching the approach of this in the second week of September 2023.

	Recommendation	Priority	Agreed Action	Responsible officer	Target Date	Revised Target Date for outstanding actions	Progress
R7	We recommend consideration is given to utilising available systems E-procurement or Mosaic to process invoices received via the Home Finding Team (in the interim period between system developments), to ensure suitable authorisations are transparent.	1	Agreed. To be reviewed as part of the Financial Framework Task and Finish Group.	Assistant Director of Children's Services (Social Care)	31 October 2022		<p>In progress.</p> <p>To be completed Sept 2023</p> <p>As part of the response to the audit we are adapting the processes so all request s going through via MOSIAC and approval of all those requests is in line with the scheme of delegation. The system will be set up to prevent deviation from the scheme of delegation.</p> <p>This work will commence with one off requests for children funded via Section 17 and the LAC financial assistance budget.</p> <p>The forms and systems changes required are currently being built in MOSIAC and will be tested during the summer.</p>

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<i>R7 (cont)</i>						There will be plan of education of staff prior to launching the approach of this in the second week of September 2023

	Recommendation	Priority	Agreed Action	Responsible officer	Target Date	Revised Target Date for outstanding actions	Progress
R8	<p>We recommend a review of practices within Children’s Social Care takes place to ensure transparency around who has checked and who has authorised invoices prior to payment, ensuring segregation of duties operates, the Scheme of Delegation is adhered to, with suitable records of expenditure are maintained.</p>	1	<p>Agreed. To be reviewed as part of the Financial Framework Task and Finish Group.</p>	<p>Assistant Director of Children’s Services (Social Care)</p>	<p>31 October 2022</p>		<p>In progress</p> <p>To be completed Sept 2023</p> <p>As part of the response to the audit we are adapting the processes so all request s going through via MOSIAC and approval of all those requests is in line with the scheme of delegation. The system will be set up to prevent deviation from the scheme of delegation.</p> <p>In addition as part of this work the scheme of delegation that covers decisions and also financial approval levels has been revised to be in line with this work.</p> <p>This work will commence with one off requests for children funded via Section 17 and the LAC financial assistance budget.</p>

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<i>R8 (cont)</i>						The forms and systems changes required are currently being built in MOSIAC and will be tested during the summer. There will be plan of education of staff prior to launching the approach of this in the second week of September 2023

	Recommendation	Priority	Agreed Action	Responsible officer	Target Date	Revised Target Date for outstanding actions	Progress
R9	We recommend a more robust solution to obtain authorisation and segregation of duties should be put in place for Supporting Our Children invoices (For example FPM or E-procurement).	1	Agreed. To be reviewed as part of the Financial Framework Task and Finish Group.	Assistant Director of Children's Services (Social Care)	31 October 2022		<p>In progress</p> <p>To be completed Oct 2023</p> <p>As part of the response to the audit we are adapting the processes so all request s going through via MOSIAC and approval of all those requests is in line with the scheme of delegation. The system will be set up to prevent deviation from the scheme of delegation.</p> <p>In addition as part of this work the scheme of delegation that covers decisions and also financial approval levels has been revised to be in line with this work.</p> <p>This work will commence with one off requests for children funded via Section 17 and the LAC financial assistance budget.</p>

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<i>R9 (cont)</i>							The forms and systems changes required are currently being built in MOSIAC and will be tested during the summer. There will be plan of education of staff prior to launching the approach of this in the second week of September 2023.

Recommendation		Priority	Agreed Action	Responsible officer	Target Date	Revised Target Date for outstanding actions	Progress
<i>R10</i>	We recommend inclusion of Recurring Payments is considered as part of future development plans within Mosaic.	2	Agreed. To be captured as part of the wider Mosaic development requirements.	Assistant Director of Children's Services (Social Care)	31 August 2022		<p>In progress.</p> <p>To be completed Oct 2023</p> <p>We will address as part of the work recurring payments. In terms of non-placement recurring costs these will only be able to be approved for a 6 week period at any time to ensure review and scrutiny.</p> <p>In terms of other recurring costs we are also streamlining the recruiting costs so they are undertaken at the same point no matter what the placement type (this is an issue as carers move between Reg24 approval, foster care approval and SGO approval).</p>

Recommendation		Priority	Agreed Action	Responsible officer	Target Date	Revised Target Date for outstanding actions	Progress
<i>R11</i>	We recommend a programme of induction training to all officers within the Scheme of Delegation to ensure processes and responsibilities are understood and followed accordingly.	2	Agreed. Head of Safeguarding and Principal Social Worker and Senior Practice Development Leader to liaise with the Business Support Team (Adult Services) and Children's Finance (Accountancy) to ensure a suitable training is developed and incorporated into Management and Leadership Academy.	Head of Safeguarding and Principal Social Worker Senior Practice Development Leader	31 December 2022		In progress. To be completed Sept 2023 The scheme of delegation has been revised part of this work and development work will be undertaken with the teams to ensure awareness and understanding of the scheme of delegation and their responsibilities within it.
<i>R12</i>	We recommend review of Children's Services risk registers takes place to suitably establish the key financial risks and address the mitigation controls and actions required in order to reduce the risks.	2	Accepted. Risk Registers to be reviewed and updated before the next deadline.	Assistant Director of Children's Services (Social Care)	30 September 2022		In progress. This will be completed in Oct 2023 to accurately reflect the work undertaken and the processes in place.