



FINAL INTERNAL AUDIT REPORT
EDUCATION, CARE & HEALTH DEPARTMENT

REVIEW OF FOSTERING

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Prepared by: Principal Auditor,
Reviewed by: Head of Audit,

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Report No.: ECHS/11/2018/AU

REVIEW OF FOSTERING 2018-19

INTRODUCTION

1. This report sets out the results of our audit of Fostering. The audit was carried out as part of the work specified in the 2018-19 Internal Audit Plan agreed by the Section 151 Officer and Audit Sub-Committee. The controls we expect to see in place are designed to minimise the Council's exposure to a range of risks. Weaknesses in controls that have been highlighted will increase the associated risks and should therefore be addressed by management.
2. There are a number of different types of fostering within the Bromley Fostering Service. These include: emergency, respite, short term, long term amongst others. This is delivered by our in house fostering service and independent fostering arrangements.
3. Applicable legislation includes The Fostering Services (England) Regulations 2011, Fostering National Minimum Standards and the Children's Act 1989.
4. The total net budget for the family placement service for 2018/19 was £6,595,450. Fostering is subsumed within this budget area and the end of year actual is £7,916,654.
5. We would like to thank all staff contacted during this review for their help and co-operation.

AUDIT SCOPE

6. The original scope of the audit was outlined in the Terms of Reference issued on 27th March 2019. The scope of this audit covered assessments, reviews and payment procedures for both in house and independent fostering arrangements. Respite payments were touched on additionally.
7. Payments made to foster carers for professional fees and maintenance were reviewed along with any relevant interim payments or payments made outside of Carefirst. This was included to confirm that the payment procedures in place had been complied with. The Payments Policy has been updated and there have been changes to the allowances paid to foster carers. This is effective from 1/5/19.
8. This audit also reviewed the Form F Assessments for foster carers and the Standard of Care Assessments to ensure the relevant assessments had taken place as expected.

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AUDIT OPINION

9. Our overall audit opinion, number and rating of recommendations are as follows.

| | |
|------------------------------|--|
| AUDIT OPINION | |
| Substantial Assurance | (Definitions of the audit assurance level and recommendation ratings can be found in Appendix B) |

| Number of recommendations by risk rating | | |
|--|------------|------------|
| Priority 1 | Priority 2 | Priority 3 |
| 0 | 3 | 0 |

SUMMARY OF FINDINGS

10. Our testing identified the following issues which we would like to draw to management’s attention:-
 Queries arose with one of the Independent Fostering Arrangement (IFA) placement relating to an incorrect date for the start date of the placement and the date of birth of the child was recorded incorrectly within the contract.
11. Service agreements were found to have not been closed down as a matter of process by Fostering or Commissioning. There is confusion as to which team should close the service agreements as and when relevant. Carefirst therefore does not show the current position and can be misleading.

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12. Supporting documentation had not been uploaded onto Carestore for review in respect of an interim payment. This was subsequently uploaded.

DETAILED FINDINGS / MANAGEMENT ACTION PLAN

13. The findings of this report, together with an assessment of the risk associated with any control weaknesses identified, are detailed in Appendix A. Any recommendations to management are raised and prioritised, together with management's responses and timescales for implementation are also raised at Appendix A. Appendix B details the definition of the assurance ratings and priority ratings.

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DETAILED FINDINGS AND ACTION PLAN

APPENDIX A

| No | Finding | Risk | Recommendation and Priority *Raised in previous Audit | Management Response | Agreed timescale and responsible manager |
|----|---|--|--|---|--|
| 1 | <p><u>IFA Placements</u></p> <p>For Sample 7 (child), the placement contract states that the start date of the placement is 05/01/2015 however, the start date on Carefirst commences on 27/3/13 and the child's date of birth is recorded incorrectly.</p> | <p>Contracts do not contain the correct information.</p> | <p>The case identified should be reviewed and contracts amended accordingly.</p> <p>Priority 2</p> | <p>This young person was originally placed with these carers in 2011. In 2013 he was permanently matched to carers and in 2015 there was a change to the funding agreement as carers were being paid additional sums for transporting long distances to contact.</p> <p>Each of these changes is likely to cause either a new service line to be added to Carefirst or the issue of a new contract.</p> <p>Staff have been advised to use the Observations area of Carefirst to record amendments and to add notes to Service Agreements (SA) or new contracts as they are created.</p> | <p>Head of Placements & Brokerage June 30th 2019</p> |

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|----|---|---|--|--|---|
| 2 | <p><u>Service Agreements</u> The service agreement commencing on 21/5/18 had not been authorised for Sample 13 (child).</p> <p>It was found that an Independent Fostering Arrangement (IFA) placement was open at the same time as an in house fostering placement in respect of Sample 15 (child).</p> <p>Having discussed the responsibility for the closure of service agreements with the fostering team, there does not seem to be a set process in place, between fostering team and commissioning.</p> | <p>Open service agreements are held on the system without proper authorisation.</p> <p>Service agreements that are not closed do not reflect the current service provision in place.</p> <p>Carefirst does not reflect the correct information.</p> <p>Ineligible payments could be made.</p> | <p>Management should ensure that :-</p> <p>(i) Service agreements should be closed if the service is no longer being provided.</p> <p>(ii) Clarification is made as to which team should be closing off service agreements for particular services provided and the respective procedures updated accordingly.</p> <p>Priority 2</p> | <p>Sample 13 : A number of these open service agreements (SA) are for respite. So whilst a child is placed long term with a main carer there remains time when young people will have planned respite with a carer or two. We do not open and close the SAs at the beginning and end of each respite session, we just open and close the allowances.</p> <p>In respect of the placement service agreements the Fostering service added a new service line for a long stay placement but not closed the short stay agreement. Fostering team will be reminded to do this if they are amending SAs. Children's Placement Team (CPT) have now closed and suggested that these changes can be undertaken by CPT if notified when permanency is agreed.</p> <p>Sample 15 : In this case the in house fostering placement was not closed when child moved to an IFA by CPT. Staff have been advised to close a SA as soon as a placement change occurs to prevent over payments.</p> | <p>Head of Placements & Brokerage June 30th 2019</p> |

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| 3 | <p><u>Supporting Documentation</u></p> <p>An Interim Payment was made to a Foster Carer for the period 25/9/18-20/10/18 for £2,767.96. Supporting documentation could not be located for this payment on Carestore. This was subsequently loaded onto Carestore on 15/5/19 when queried by the Auditor. (Sample 14 Foster Carer).</p> | <p>Duplicate payments may arise if evidence of the interim payments made to date are not readily available or accessible.</p> | <p>Supporting documentation in relation to Interim Payments should be uploaded to Carestore without delay or entered within observations.</p> <p style="text-align: center;">Priority 2</p> | <p>The interim payments that are made cannot be duplicated because Carefirst is updated straightaway, but not approved in time for regular payment.</p> <p>Contractor A holds credit in Oracle to avoid overpayments.</p> <p>The Finance Officer will create an observation so there is a note on system, as not everyone always has access to Carestore to check payments.</p> | <p>Head of Fostering, Adoption & Resources July 31st 2019</p> |

Assurance Level

| Assurance Level | Definition |
|------------------------------|--|
| Substantial Assurance | There is a sound system of control in place to achieve the service or system objectives. Risks are being managed effectively and any issues identified are minor in nature. |
| Reasonable Assurance | There is generally a sound system of control in place but there are weaknesses which put some of the service or system objectives at risk. Management attention is required. |
| Limited Assurance | There are significant control weaknesses which put the service or system objectives at risk. If unresolved these may result in error, abuse, loss or reputational damage and therefore require urgent management attention. |
| No Assurance | There are major weaknesses in the control environment. The service or system is exposed to the risk of significant error, abuse, loss or reputational damage. Immediate action must be taken by management to resolve the issues identified. |

Recommendation ratings

| Risk rating | Definition |
|-------------------|---|
| Priority 1 | A high priority finding which indicates a fundamental weakness or failure in control which could lead to service or system objectives not being achieved. The Council is exposed to significant risk and management should address the recommendation urgently. |
| Priority 2 | A medium priority finding which indicates a weakness in control that could lead to service or system objectives not being achieved. Timely management action is required to address the recommendation and mitigate the risk. |
| Priority 3 | A low priority finding which has identified that the efficiency or effectiveness of the control environment could be improved. Management action is suggested to enhance existing controls. |