

**REPORT TO:** Audit and Governance Committee

**MEETING DATE:** 9 September 2014

**BY:** Depute Chief Executive – Resources & People Services

**SUBJECT:** Internal Audit Report – Fostering and Kinship Care Allowances

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**1 PURPOSE**

- 1.1 To inform the Audit and Governance Committee of the recently issued audit report on Fostering and Kinship Care Allowances.

**2 RECOMMENDATION**

- 2.1 That the Audit and Governance Committee note the contents of the Executive Summary and Action Plan for Fostering and Kinship Care Allowances.

**3 BACKGROUND**

- 3.1 A review of Fostering and Kinship Care Allowances was undertaken as part of the audit plan for 2014/15.
- 3.2 The main objective of the audit was to ensure that the internal controls in place for Fostering and Kinship Care Allowances were operating effectively.
- 3.3 The main findings from our audit work are outlined in the attached report.

**4 POLICY IMPLICATIONS**

- 4.1 None

## **5 EQUALITIES IMPACT ASSESSMENT**

- 5.1 This report is not applicable to the well being of equalities groups and Equality Impact Assessment is not required.

## **6 RESOURCE IMPLICATIONS**

- 6.1 Financial - None  
6.2 Personnel - None  
6.3 Other - None

## **7 BACKGROUND PAPERS**

- 7.1 None

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<b>DATE</b>	28 August 2014

## **EAST LOTHIAN COUNCIL – INTERNAL AUDIT FOSTERING AND KINSHIP CARE ALLOWANCES**

### **1. EXECUTIVE SUMMARY**

#### **1.1 Introduction**

As part of the Audit Plan for 2014/15 a review was undertaken of the internal controls in place for the payment of Fostering and Kinship Care Allowances. A summary of our main findings is outlined below.

#### **1.2 Areas where Expected Controls were Met**

- The Council has in place a 'Children's Wellbeing Kinship Care and Fostering Strategy: Payments to Foster Carers and Kinship Carers' – the Strategy was approved by Cabinet in April 2013.
- For the sample of foster carers reviewed we found that a placement agreement was in place.
- All fees and allowances for both foster care and kinship care payments had been correctly updated on the Frameworki System.
- All payments made for both foster care and kinship care were in accordance with the approved rates.

#### **1.3 Areas with Scope for Improvement**

- The draft Kinship Care Policy and Guidance in place requires to be finalised and issued to relevant members of staff with responsibility for administering kinship care allowances. *Risk – lack of a consistent approach.*
- There was a lack of formal agreements in place for kinship carers clearly outlining the roles and responsibilities of both the carers and the Council. *Risk – failure to fully undertake roles and responsibilities.*
- There was a lack of adequate documentation in place for initiating kinship care payments to both formal and informal carers. *Risk – unauthorised payments may be made.*
- In some cases, the Foster Carer Payment Fee Form had not been appropriately authorised. *Risk – unauthorised payments may be made.*
- For kinship care payments there was a lack of adequate monitoring arrangements in place to ensure that payments are stopped on a timely basis. *Risk – overpayments may occur.*
- In some cases, increases to foster carers' fee levels had not been approved by the Fostering and Adoption Panel. *Risk – inappropriate payments may be made.*

#### **1.4 Summary**

Our review of Fostering and Kinship Care Allowances has identified a number of areas with scope for improvement. Detailed findings and recommendations are contained in our main Audit Report.

**Mala Garden**  
**Internal Audit Manager**

**August 2014**

## ACTION PLAN

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.1.1	Management should ensure that the draft Kinship Care Policy and Guidance in place is finalised and issued to relevant staff members with responsibility for administering kinship care allowances.	Low	Group Service Manager – Children’s Wellbeing Protection and Family Support	<p>Kinship Care Policy and Guidance remained draft awaiting outcome of significant Scottish Government decision making around kinship carer finance. SG have extended the reporting time of short life working group to look at this over last two years.</p> <p>The Kinship Care Steering Group signed off current document on 23<sup>rd</sup> July. All staff will be issued with a copy of the draft document, including those administering kinship care allowances.</p>		September 2014
3.4.2	For all kinship carers approved by the Kinship Care Panel, Management should ensure that a formal Agreement is in place and is retained on Frameworki.	Medium	Group Service Manager – Children’s Wellbeing Protection and Family Support	Children’s Wellbeing Senior Managers Group (SMG) have agreed a refresher session to all Children’s Wellbeing staff, including administrative support, to ensure all staff aware of processes and documentation to be used.		October 2014

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3.4.2 (cont)	Management should ensure that appropriate documentation is in place for informal kinship carers supported by the Council.					
3.5.1	Management should ensure that for all new placements the Foster Care Fee Payment Form is properly authorised by a designated officer.	Medium	Group Service Manager – Children’s Wellbeing Long Term Care and Support	Workflow system to initiate Foster Carer Fee payments has been developed by Frameworki Team in consultation with Community Resources. Rollout has been delayed due to demands on lead Systems Development Officer and difficulties confirming training dates for relevant staff over summer period.	Since the implementation of a gatekeeping process (2006) to discuss all children on the cusp of care or requiring to be accommodated by the local authority, agreement that social workers and senior practitioners can sign off fee forms which initiates payment to carers. With reduced number of managers in Community Resources ensures no delay in payment. Gatekeeping process- Internal Provisions panel now multi-agency.	November 2014

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3.5.1 (cont)					As foster carer payment made up of two payments – allowance for child and FC fee already checks built into system and Internal panel endorses decision to accommodate child. This is relevant until the new FWi system is in place.	
3.5.2	Management should ensure that the existing arrangements for payments to Kinship Carers are formalised – appropriate documentation should be in place and authorised by a designated officer.	Medium	Group Service Manager – Children’s Wellbeing Protection and Family Support	See 3.4.2 above Payment documentation and authorisation will be managed through Frameworki.		October 2014

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.6.1	<p>Management should ensure that all increases to foster carers' fee levels are approved by the Fostering and Adoption Panel.</p> <p>Management should ensure that carers' approved fee levels are detailed on the Panel minutes and the annual review letters sent to carers.</p>	Medium	Group Service Manager – Children's Wellbeing Long Term Care and Support	<p>Foster Carers apply to become Level 2 or Level 3 carers and demonstrate they meet criteria. The Fostering Panel makes recommendation to the Agency Decision Maker. With current budget constraints as per report to Cabinet (April 2013) Community Resources as team agree number of Level 1 carers eligible to apply for Level 2 (4 for 2014-2015). There are time limited changes to fee covered in Foster Carer Handbook. Agree these decisions should be endorsed by next available Fostering Panel.</p> <p>Community Resources recently updated the format of Supervising Social Worker's report for foster carer review and this ensures more detail regarding Level of skill i.e. Level 1, 2 or 3.</p> <p>Agree there has been inconsistency in recording the skill level in Foster Carer</p>		September 2014

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3.6.1 (cont)				Approval and review minutes and subsequent Foster carer approval letters will now record this.		
3.6.2	Management should ensure that regular reports are produced of all payments where manual adjustments have been made, to ensure that carers are being paid at the correct rates.	Medium	Group Service Manager – Children’s Wellbeing Long Term Care and Support	Agreed. Regular reports will be produced as recommended.		September 2014
3.6.3	Management should ensure that annual reviews are carried out for children placed with both Formal and Informal Kinship Carers to ensure that payments being made are still valid.	Medium	Group Service Manager – Children’s Wellbeing Protection and Family Support	Children placed in formal kinship care are LAC and statutory review processes in place. Finance will be added to checklist for discussion at statutory reviews.		September 2014



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3.6.3 (cont)	<p>Management should explore the facilities within Frameworki to establish if a system prompt is available to alert staff when a young person reaches the age of 16.</p> <p>Management should investigate all potential overpayments identified and ensure that appropriate action is taken to recover the overpayments.</p>			<p>A system has recently been developed to annually review informal kinship care payments, beginning this September.</p> <p>Group Service Manager Protection and Family Support will investigate overpayments identified.</p>		<p>September 2014</p> <p>September 2014</p>
3.6.4	Management should review the current practice whereby level 3 carers who do not have a current placement are paid retainer fees beyond the 12 week period.	Medium	Group Service Manager – Children’s Wellbeing Long Term Care and Support		Group Service manager alerted to these situations – rare as level 3 carers skills are in demand. Payment of an ongoing retainer to Level 3 Foster Carers has been established practice since the Level 3 Foster Carer Scheme introduced (Feb 2000). The	Awaiting Scottish Government Working group report regarding Foster carer Allowances.

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3.6.4 (cont)					<p>scheme has been regularly best value reviewed and evidences positive outcomes for the young people placed with them. Awaiting outcome of Scottish Government short life working group on Foster Carer Payments, before reviewing terms and conditions of foster carers. It is the favourable terms and conditions we offer our foster carers that enables us to retain our foster carer community despite independent fostering agencies offering more favourable financial payments.</p>	

### **Grading of Recommendations**

In order to assist Management in using our reports, we categorise our recommendations according to their level of priority as follows:

Level	Definition
<b>High</b>	Recommendations which are fundamental to the system and upon which Management should take immediate action.
<b>Medium</b>	Recommendations which will improve the efficiency and effectiveness of the existing controls.
<b>Low</b>	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.