

Summary Sheet

Council Report:

Audit Committee – 19th June 2018

Title:

External Audit and Inspection Recommendations

Is this a Key Decision and has it been included in the Forward Plan?

No

Strategic Director Approving Submission of the Report:

Judith Badger – Strategic Director, Finance and Customer Services

Report Author(s):

Tracy Blakemore - Quality and Projects Officer, CYPS

Sue Wilson – Head of Service, Performance & Planning, CYPS

Ward(s) Affected:

All

Executive Summary:

In line with the audit committee prospectus “A fresh start”, the purpose of this report is to provide details of recent and current external audits and inspections, including the details of arrangements that are in place regarding the accountability and governance for implementing recommendations arising from these.

The appendix to the report provides a summary of progress against recommendations from across all key external audits and inspections.

Recommendations:

That the Audit Committee notes the governance arrangements that are currently in place for monitoring and managing the recommendations from external audits and inspections.

That the Audit Committee continues to receive regular reports in relation to external audit and inspections and progress made in implementing recommendations.

List of Appendices Included:

Appendix A: Summary of Recommendations from “Active” Inspection and Audit Action Plans

Background Papers

CYPS Improvement Plan

Fresh Start Improvement Plan and Phase Two Action Plan

Ofsted Report published November 2014

Consideration by any other Council Committee, Scrutiny or Advisory Panel**Council Approval Required**

No

Exempt from the Press and Public

No

Title – External Audit and Inspection Recommendations

1. Background

- 1.1 In line with the audit committee prospectus “A fresh start”, the purpose of this report is to provide details of recent and current external audits and inspections. The report covers the 2 key improvement plans – Fresh Start and the Children and Young People’s Plan plus recommendations from inspections from across the rest of the Council.
- 1.2 The “Fresh Start” Improvement Plan was Rotherham Council’s strategic, organisation-wide response to the corporate, organisation-wide aspects of the external Corporate Governance Inspection (CGI) and the Jay and Ofsted reports. The plan was approved in May 2015 and divided into two phases:
- An initial “transition” phase, from May 2015 to May 2016, which focused on ensuring the Council had in place the basic building blocks of an effective council.
 - The second phase from May 2016 to May 2017, focused on embedding strong leadership and a new culture following the appointment of key, permanent senior staff and the all-out election in May 2016.
 - The implementation of the plan and its governance arrangements were overseen by the “Joint Board” of Commissioners and leading Elected Members (Labour and Opposition Groups), with links to the Strategic Leadership Team (SLT) and Assistant Directors.
 - The final meeting of the Joint Board took place on 20th November 2017, where completion of 98% of the phase two actions was noted. One remaining milestone was completed by the end of December 2017 and the other was scheduled for April 2018. Improvement activity continues to be reported and monitored through the appropriate mechanisms such as performance reporting, reports to SLT and the Member Development Panel.

2. Adult Care and Housing

2.1 The Care Quality Commission (CQC) undertakes programmed inspections of Rotherham MBC Adult Social Care registered providers. The following table details completed inspections and the most recent ratings for the service

Service	Latest Inspection Report	Overall Rating for Service
Lord Hardy Court	1 st February, 2017	Good
Davies Court	28 th September, 2016	Good
Home Enabling (includes Shared lives)	30 th July, 2016	Good
Parkhill Lodge	5 th March, 2018	Good
Quarryhill Resource Centre	7 th March, 2018	Good
Treefields Resource Centre	23 rd August, 2017	Good

2.1.1 Lord Hardy Court's last CQC inspection in February 2017 resulted in an overall rating of good, however 2 actions needed to be dealt with by the Council.

- There was no dedicated activity staff or a structured activities programme. Due to staffs workloads activities were not consistently available for people to participate in. The roles of Dedicated Activity Coordinators were deleted from the service in 2013 and because the action references "dedicated" activity staff it is possible the action may never be deemed to be fully complete. Despite this the Council continues to work extremely hard mitigating the impact of this change on customers using the facility. Since the steps already taken and reported in April 2017, which included creating an accessible gardening feature for residents and developing individual activity plans for residents with dementia, some further work has been done to improve the service. Staff, proactively encourage residents to become more involved in a wider range of activities like taking part in table top games and attending weekly movement sessions to music, entertainers are also being booked to visit the unit at regular intervals.
- Changes in people's needs had not always been fully incorporated into all care records, and decisions made in people's best interest were not always clearly recorded in their care files. Action was taken to ensure recording in client files were accurately reflecting the up to date position. Follow up quality assurance checks have been scheduled by the service to ensure improvements are being consistently applied.
- Following the inspection in February 2017 care plans were immediately updated to capture the current needs of people using the facility and a robust process was developed to ensure care plans are being updated regularly.

2.1.2 Although rated overall as being good some minor recommendations were made about Parkhill Lodge with regard to how well the service was being led; The following actions were identified to help improve the service;

- Some firm timescales needed to be included into the action plan developed by the service to deal with items in the care home that needed repairing or replacing. The inspectors recognised the reasons for this was that consultations

were still underway to determine the future plans for the building, however despite this wanted to see some firm indication when actions in the plan would be completed.

- The Policies and procedures used to deliver the service were also last reviewed in 2013 which was identified as a gap. A refresh was required to ensure the service is; meeting its statutory requirements in terms of health and safety etc. operating effectively and is able to capture best practice and learning.
- No specific timescales were given to complete the actions although the review of the policies and procedures is now complete. Day to day repairs to the building are being completed as and when required and medium to long term plans for the home are to identify other suitable accommodation.

2.1.3 Following the previous inspection of Treefields Resource Centre in September 2015 an unannounced inspection also took place on 13th July 2017. The overall assessment of the service published in the final report on August 17 was good and the following comments about the service were made:

- The recommendation from the previous inspection of the service in September 2015 to have registered with the CQC a manager of the service is complete.
- Staff supported people in a caring, sociable and inclusive way. They interacted with people positively, whilst respecting their privacy, preferences and decisions.
- Staff demonstrated a very good knowledge of the people they supported, whilst understanding the need to maintain their independence.

2.2 Adult Social Care (ASC) continues to have a good compliance record with standards subject to inspection. Governance arrangements remain and are reported via the ASC Directorates development programme and the Transformation Board which is chaired by Sharon Kemp, RMBC Chief Executive, and has member representation from partner agencies. These arrangements have been further strengthened since June 2017, when additional governance reporting has been put in place in respect to ASC Improvement Plan.

2.3 Fire Risk Assessment Audits have been made by the South Yorkshire Fire and Rescue Service to 2 blocks of flats owned by Housing. The following actions are being taken to improve the service;

- Fire stopping improvements have been made to Hampstead Green Flats. Match funding has been secured to install water sprinklers in the flats in addition to reconfiguring the alarm sounders which will be extended into all habitable rooms in each flat. South Yorkshire Fire and Rescue Service have been made aware of these changes and agreement reached to extend the target for the works to be completed to anytime during the current year.
- Bin chute doors at Doncaster Road and Eastwood View Flats have been upgraded. Plans to reconfigure fire alarm sounders have been delayed a month because of management issues with one of the flats. These issues are now resolved and a new completion date of May 2018 agreed with the South Yorkshire Fire and Rescue Service.

3. Children and Young People's Services

3.1 Ofsted carried out a re-inspection of Children's Services in November 2017 under their Single Inspection Framework.

3.1.1 The findings from the inspection were published on the 29th January 2018 and were:

- Services for Children and young People in Rotherham are overall Good
- Children in Need of Help and Protection is Good
- Children looked after and achieving permanence is Requires Improvement
- Adoption Performance is Good
- Experiences and progress of Care Leavers is Outstanding
- Leadership, management and Governance is Good

3.1.2 In the report Ofsted identified eight recommendations for improvement:

- Ensure that managers provide challenging, reflective and directive supervision and, with support from independent reviewing officers (IROs) and conference chairs, address the quality of practice and planning for all children effectively.
- Ensure that all assessments are: meaningful to children and their families; reflect the changing needs of children; and effectively evaluate cumulative risks and their impact.
- Ensure that all plans: are clear about how children's and young people's holistic needs are to be met; have clear timescales; can be understood by families; and are always well informed by risk assessment.
- Ensure that early permanence planning is timely and considers the full range of placement options for all children when they are unable to return to their birth families.
- Improve the timeliness of the early help response to children, particularly those who have a disability.
- Work with schools to reduce the number of fixed-term exclusions and persistent absentees from education among children looked after.
- Ensure that children benefit from timely, good-quality life story work and later life letters that are written clearly, so that young people will understand their experiences, life history and reason for separation from their birth families.
- Ensure that birth parents of children who are adopted fully understand what support is available and are helped to access this.

3.1.3 Progress in relation to the 24 Ofsted recommendations and underpinning actions from the 2014 Single Inspection (that had found the Service to be inadequate) have been reported regularly to and monitored by the multi-agency CYPS Improvement Board. In Ofsted's re-inspection of the service in November 2017, Ofsted found that these recommendations had been addressed by the service.

3.1.4 The CYPS Improvement Plan has been updated to include the actions required to address the eight recommendations from Ofsted and was submitted to Ofsted on the 8th May.

3.1.5 The actions to address the 8 recommendations will now also be included within service plans and monitored as part of the services' business as usual process.

3.1.6 The CYPS Improvement Board had its final meeting on the 31st January; therefore the quarterly Service Plan Performance Clinics and the CYPS Performance Board, chaired by Cllr Watson, Deputy Leader and Lead Member for Children and Young People's Services, will monitor and challenge progress against the actions.

3.1.7 A named Lead officer has been allocated to each of the eight Ofsted recommendations. This lead is accountable to the Performance Board for the progress of the actions identified against each of the recommendations.

3.1.8 Inspection readiness continues to be a priority in Children's Services as the framework for the Inspection of Local Authority Children's Services (ILACs) has now been published and includes an annual self-assessment (which will need to cover progress against the 8 recommendations) and an annual conversation which is a visit from an Ofsted HMI (Her Majesty's Inspector) to discuss the progress being made and any risks an issues, these together determine when the next inspection will take place.

3.2 Liberty House Short Breaks Children's Home is for young people with disabilities. The Home has 9 beds but staffing capacity dictates the number of young people able to access an overnight short break. The number of nights a child accesses the home within the month is varied and subject to their assessed needs.

3.2.1 Liberty House received a full inspection on the 2nd and 3rd November 2016, the outcome of which was that Liberty House was found to be an 'Outstanding' service provision. In the subsequent Interim Inspection this was further upgraded to Outstanding with Improved Effectiveness.

3.2.2 In accordance with Children's Homes standards and regulations Liberty House has monthly visits from an independent visitor. This is externally commissioned to ensure independence and objectivity. The reports are sent monthly to Ofsted.

4. Regeneration and Environment Services

4.1 The ground source heat/cooling system at Riverside House was also inspected by the Environment Agency in January 2017.

4.2 The January inspection recommended, as part of any future upgrades to the heat/cooling system a new volume meter should be installed. No future upgrades to the system however are currently being planned.

5. Finance and Customer Services

5.1 Each year the External Auditor issues a range of reports relating to the work to be undertaken and these are presented to Audit Committee:

5.1.1 External Audit Plan which outlines the audit approach and identifies areas of audit focus and planned procedures.

5.1.2 Interim Audit Report (if required), which details control and process issues and identifies improvements required prior to the issue of the draft financial statements and the year-end audit.

5.1.3 Report to those charged with Governance (ISA260 report) which:

- Details the resolution of key audit issues.
- Communicates adjusted and unadjusted audit differences
- Highlights recommendations identified during the audit
- Comments on the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources (Value for Money)

5.1.4 Annual Audit Letter which summarises the outcomes and key issues arising from the audit work specifically in relation to:

- Audit of accounts
- Value for Money Conclusion
- Any other matters the external auditor is required to communicate

5.1.5 The External Auditor's 2016/17 ISA 260 Report, which was presented to Audit Committee on 19th September 2017, anticipated the issuing of an unqualified audit opinion on the 2016/17 financial statements. The unqualified opinion was subsequently issued to the Council on 26th September 2017.

5.1.6 The ISA 260 report also provided an unqualified opinion on the Value for Money conclusion. The unqualified opinion confirms that the Council has made proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

5.1.7 The Annual Audit Letter summarising the outcome from the External Audit work in relation to the 2016/17 financial year was issued to the Council on 31st October 2017 and is included on this Audit Committee agenda.

5.1.7.1 Any recommendations made by the External Auditor in relation to issues identified and the management responses to those recommendations are highlighted in the reports presented to Audit Committee. In carrying out the audit work each year the External Auditor examines progress in addressing previous recommendations made and comments on progress within future reports.

- There are no outstanding recommendations from 2015/16 or earlier.
- With regard to 2016/17, four medium and one low priority recommendations were raised within the 2016/17 ISA 260 Report.

5.2 Each local authority's external auditor is required to certify that the annual claim for reimbursement by the Government of Housing Benefit (a means tested benefit administered by local authorities on behalf of the Department for Work and Pensions (DWP)) is fairly stated and to report any errors/adjustments to the DWP in a covering letter that accompanies the claim.

5.3 Whilst the DWP have no formal inspection process it does reserve the right to carry out an inspection if circumstances warrant it, i.e. if a Local Authority's performance causes concern.

5.4 KPMG, who carries out the audit on behalf of DWP, checks the financial validity of the housing benefit subsidy claim and, depending upon their findings, can:

5.4.1 Where, no errors are found during their audit, certify the claim as fairly stated (i.e. provide an unqualified opinion on the Council's return).

5.4.2 Where minor errors are found, agree adjustments to the claim with the Council and make no reference to errors in their opinion to the DWP (without qualification).

5.4.3 For more significant errors, either in process or figures, the external auditor is likely to qualify the opinion on the Council's return and explain the reasons for doing so to the DWP, who will then determine what action, if any, needs to be taken on any points raised by the auditor.

5.5 The audit of the Council's 2016/17 claim was finalised on the 29th November 2017. Audit identified some minor errors and agreed adjustments to the claim. The final claim in accordance with the DWP arrangements, was submitted without qualification.

5.6 The start date of the audit for the financial year 2017/2018 has been agreed as 11th June 2018.

6. Options considered and recommended proposal

6.1 Audit Committee consider the detail of the report including Appendix A which provides a high level summary of the current position of inspection recommendations.

7. Consultation

7.1 Not applicable to this report.

8. Timetable and Accountability for Implementing this Decision

8.1 The timescales for each inspection recommendation differs and is included in Appendix A.

9. Financial and Procurement Implications

9.1 There are no financial implications.

10. Legal Implications

10.1 There are no legal implications.

11. Human Resources Implications

11.1 There are no Human Resources implications.

12. Implications for Children and Young People and Vulnerable Adults

12.1 The recommendations in relation to inspections in both Children and Young People's Services and Adult Social Care have direct implications on the quality of services provided to children, young people and vulnerable adults. Completing the recommendations will improve outcomes for these groups.

13. Equalities and Human Rights Implications

13.1 Equality Assessments are undertaken in relation to any new policies or strategies that are developed as a result of the work being undertaken to improve services.

14. Implications for Partners and Other Directorates

14.1 Partnership approaches are key to improving services, particularly in relation to Children and Young People's Services, the Improvements need to be of a multi-agency nature and owned cross the partnership. The CYPS Improvement Board is made up of senior officers from partner organisations.

15. Risks and Mitigation

15.1 There is a risk that actions are reported as completed without substance, it is important that arrangements are in place as part of the respective quality assurance regimes and monitored through performance management, evidencing not just completion of actions, but the associated outcomes. As governance arrangements are strengthened, these risks become mitigated.

16. Accountable Officer(s)

- Anne Marie Lubanski, Strategic Director of Adult Care and Housing
- Damien Wilson, Strategic Director Regeneration and Environment Services
- Ian Thomas, Strategic, Director Children and Young People's Services
- Judith Badger, Strategic Director Finance and Customer Services

Approvals Obtained from:-

Judith Badger, Strategic Director, Finance and Customer Services

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