

Summary Sheet

Council Report:

Audit Committee – 27th November 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 January 2018

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 relating to other functions of the Council.
- 1.2 The “Fresh Start” Improvement Plan was the Council’s strategic response to 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 implemented 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 along with two remaining milestones anticipated to be completed in December 2017. However, both were delayed with the review of the Council’s constitution finally reported to Council in May 2018 and the Commissioning Action Plan completed in early 2018. Following the launch of the Rotherham Compact in March 2017, the Joint Board agreed that the annual evaluation would be reported by April 2018. A report was subsequently agreed by the Partnership Chief Executive Officers Group in March 2018.
 - Improvement activity continues to be reported and monitored through the appropriate mechanisms such as quarterly performance reporting or reports to SLT, Cabinet, Rotherham Together Partnership or Member Development Panel, as appropriate.

2. Adult Care and Housing

Adult Care has not received any further Care Quality Commission (CQC) or any other additional external inspections since the last report (June 2018). However, a progress update is provided below, regarding any actions referenced in the relevant Service CQC inspections reports

2.1 The CQC undertakes programmed inspections of the Councils Adult Social Care registered providers. They undertake these 'comprehensive' inspections on a risk based rating frequency (services rated as **Good** usually within 30 months). 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 addressed by the Council, details of which are set out below:-

- (i) There was no dedicated activity staff or a structured activities programme. Due to staff workloads activities were not consistently available for people to participate in.

The roles of the 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. Staff, proactively encourage residents to become more involved in a wider range of activities such as 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. Dedicated time continues to be built in to staff rotas to ensure that a variety of activities can be offered on a regular basis.

- (ii) Changes in client's needs have not always been fully incorporated into all care records, and decisions made in client'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;

- (i) There were some actions referring to the repair or replacement of building maintenance which had failed to be met within the agreed timescales. The inspectors recognised the reasons for the delay was that consultations were still underway to determine the future plans for the building, however despite this, the inspectors wanted to see some firm indication when actions in the plan would be completed.

All identified areas of concern have now been reported and or works undertaken to rectify them. This was undertaken within a very short period of time following the inspection. The CQC inspector was informed of the outcome of the works and was satisfied that these have all been completed.

The only outstanding area was the fascia to the outside of the building that needs to have remedial action to remove and replace rotten wood and paint to enhance the look of the building. Unfortunately due to significant cost to the Council and the medium to long term plans for the home being to identify other suitable accommodation, it has been decided to postpone this work.

- (ii) The policies and procedures used to deliver the service were last reviewed in 2013 which was identified as a gap. A refresh was required to ensure the service is:
 - a. meeting its statutory requirements in terms of health and safety etc;
 - b. operating effectively and;
 - c. is able to capture best practice and learning.

The Service now subscribes to Quality Compliance System which provides a full suite of policies that are CQC compliant and regularly updated. Staff training to enable them to make the best use of the system is currently underway.

2.1.3 Adult Social Care (ASC) continues to have a good compliance record with standards subject to inspection. Governance arrangements remain in place and are updated to reflect necessary changes. This has included Project Assurance Meetings being introduced in 2018, to enhance the governance framework, which subsequently report to the Directorate Leadership Team.

2.1.4 Excellent progress has been made by Housing completing 3 of the 4 recommendations made in the Fire Risk Assessment audits carried out by the South Yorkshire Fire and Rescue Service at Hampstead Green, Doncaster Road and Eastwood View flats.

- The bin chute doors and sounders have been improved at Doncaster Road and Eastwood View flats and improvements to the fire stopping arrangements have been made at Hampstead Green flats.
- New timelines have been agreed with South Yorkshire Fire and Rescue Service to complete the outstanding recommendation before the end of the current financial year which will be for the Council to expand the alarm system, reconfigure the sounders and install a sprinkler system in the corridors of Hampstead Green.

2.1.5 Compliance Audit

The Homes England Annual Compliance Audit Programme provides assurance that any organisation in receipt of grant have met all Homes England's requirements and funding conditions, and that the organisations have properly exercised their responsibilities. Standardised checks have recently been made by the Council's appointed Independent Auditors in September 2018. No issues or concerns were raised by the Auditor and this has since been formally submitted to Homes England. The outcome of the audit will be known in May 2019.

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 As previously report, 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 Thirty three actions have been identified to address the eight recommendations and progress against these are managed in the CYPs Improvement Plan. 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, monitor and challenge progress against the actions and will sign off each action including the check and challenge of evidence against the recommendations.

3.1.4 Planning for inspections remain a priority with preparations underway for the following key potential inspections of Children's Services:

- Inspection of Local Authority Children's Services (ILACs)
- Joint Target Area Inspection focussing on Familial Sexual Abuse – a dry run of this inspection is scheduled with partner agencies on the 12th November. This will test our ability as a partnership, to respond to, and provide evidence against the criteria in the inspection framework.
- Special Educational Needs Local Area Inspection

3.1.5 Senior Managers are attending the Annual Conversation with HMI Ofsted on the 20th November 2018. This is a formal discussion which includes a self-evaluation by Children's Services, where we are asked to critically evaluate our own performance and articulate what they think is working well for children in their area. This meeting will also discuss progress against the 8 recommendations from the previous inspection, and will inform plans for future inspection activity and focused visits of Children's Services.

3.1.6 Our practice improvement partners, Lincolnshire County Council were on-site at the beginning of November to undertake a peer review which focussed on our Looked After Children Service. As previously reported, this area was given a judgement of 'Requires Improvement' at the Ofsted inspection.

3.1.7 Feedback provided by Lincolnshire was positive and evidences and provides assurance of the continuing improvements in this area and better outcomes for our Looked After Children. Actions identified for improvement during the peer review will be incorporated into the CYPS Improvement Plan and progress monitored through the process identified in section 3.1.3 of this document.

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 in December 2017, the outcome of which was that Liberty House maintained its 'Outstanding' grading.

3.2.2 In accordance with Children's Homes standards and regulations Liberty House has monthly visits from an independent visitor. These are 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 inspected by the Environment Agency in January 2017.

4.2 The recommendation was for a new volume meter to be installed if there are any future upgrades to the system. However the recommended works make no operational or compliance difference as the information required can be calculated without the additional cost of an extra meter.

4.3 When an upgrade or replacement becomes due then this recommendation will be considered at that time, however this is not planned in the foreseeable future.

5. Finance and Customer Services

5.1 Each year the Council's External Auditor (KPMG for 2017/18) 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 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 2017/18 ISA 260 Report, which was presented to Audit Committee on 30th July 2018, anticipated the issuing of an unqualified audit opinion on the 2017/18 financial statements. The unqualified opinion was subsequently issued to the Council on 31st July 2018.

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 2017/18 financial year was issued to the Council on 31st August 2018 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 2016/17 or earlier.
- With regard to 2017/18, six medium and two low priority recommendations were raised within the 2017/18 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 are carrying out the audit for 2017/18 on behalf of DWP, check 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 2017/18 Housing Benefit claim is still ongoing and is expected to be finalised in November 2018 with outcomes reported in January 2019.

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 and procurement implications.

10. Legal Implications

- 10.1 There are no direct legal implications arising from the recommendations within this report.

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
- Paul Woodcock, Acting Strategic Director Regeneration and Environment Services
- Jon Stonehouse, 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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