

**Committee Name and Date of Committee Meeting**

Audit Committee – 13 January 2026

**Report Title**

Section 17 Payments and Reduction in Cash Payments Project

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

No

**Strategic Director Approving Submission of the Report**

Nicola Curley, Strategic Director of Children and Young People's Services

**Report Author(s)**

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**Ward(s) Affected**

Borough-Wide

**Report Summary**

The purpose of this report is to provide assurance to the Audit Committee in relation to the actions taken and progress relating to the implementation of the recommendations made regarding the partial assurance Internal Audit report on Section 17 Payments and Reduction in Cash Payments Project.

**Recommendations**

That the Audit Committee note the contents of the report.

**List of Appendices Included**

N/A

**Background Papers**

None

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

None

**Council Approval Required**

No

**Exempt from the Press and Public**

No

## **1. Background**

- 1.1 Section 17 (S17) of the Children Act 1989 defines the duties of a Local Authority in safeguarding and promoting the general welfare of a child in need. Financial assistance in terms of goods or services, or in exceptional circumstances cash, can be provided to a child, parent or carer to address the identified needs to safeguard and promote a child's welfare where there is no legitimate source of financial assistance or prevent a child entering local authority care.
- 1.2 The Audit gave a 'Partial Assurance' and provided six recommendations for implementation. Four recommendations have been completed with the outstanding two scheduled for completion by the end of January 2026.

## **2. Key Issues**

### **2.1 Recommendation one: Section 17 Policy.**

- 2.1.1 This recommendation noted that the Section 17 policy is dated 2019 and remains a 'draft' policy.
- 2.1.2 The agreed action was for the policy to be updated and endorsed by Children and Young People Service Directorate Leadership Team.
- 2.1.3 The Policy has been reviewed and updated to reflect national guidance and best practice. This is scheduled to be presented at Children and Young People Service DLT on 20<sup>th</sup> January 2026.
- 2.1.4 Pending the approval of the revised policy clear guidance has been issued to all staff as a reminder as to when Section 17 should be used and the process that is expected to be followed.

### **2.2 Recommendation two: Non-compliance with CYPS Business Services Financial Guidance and Processes document.**

- 2.2.1 This recommendation includes issues as follows:
  - Contradiction in who is responsible for authorising payments above £50,
  - Failure to consistently provide receipts specifically for payments to families,
  - Timely presentation to Resource Panel by Social Workers,
  - Incorrect coding for NRPF as Section 17.
- 2.2.2 The revised Section 17 policy is clear in terms of the expectations of staff to comply with CYPS Business Services Financial Guidance. The CYPS Business Services Financial Guidance and Processes document has also been updated (November 2025) and has been shared to ensure compatibility of both processes/policies.

- 2.2.3 Since the audit activity Business Services have developed a process flowchart that has been shared which will support with knowledge/understanding of expectation following monies/funds being shared with families. Clear receipting process, and subsequent reminder and escalation process has been included.

### **2.3 Recommendation three: Training**

- 2.3.1 Examples of non-compliance with procedures suggested that officers with S17 responsibilities would benefit from training on the new policies and procedures.
- 2.3.2 All staff have received updates in relation to the expectations relating to Section 17 payments. A working group of staff have supported the development of the revised Section 17 policy and updates to staff will be continual. This will also form part of staff induction across the whole Service.

### **2.4 Recommendation Four: Resource Panel Terms of Reference (TOR)**

- 2.4.1 The recommendation noted that these terms of reference were last updated in September 2023 and that there were inconsistencies with the financial approval limits across other guidance.
- 2.4.2 The TOR have been updated since the audit activity and will be presented to Children and Young People Services DLT along with the Section 17 policy on 20<sup>th</sup> January 2026.
- 2.4.3 All approval limits across the Section 17 policy, the Resource Panel TOR and the CYPS Business Services Financial Guidance and Processes have been reviewed to ensure alignment and consistency.

### **2.5 Recommendation Five: Cash transactions.**

- 2.5.1 This recommendation highlights that cash transactions should be kept to a minimum and only used in absence of other option.
- 2.5.2 Actions are in place to reduce cash payments and cash usage is shared with managers on a regular basis. Those asked to approve requests for cash are aware of the need to challenge the suitability of this before approving.

### **2.6 Recommendation Six: First Response Team Cash Float**

- 2.6.1 The recommendation noted that the Insurance Team has not been made aware of the First Response Team's small cash float.

- 2.6.2 Since the audit activity the Insurance Team are aware and have recorded the use of a cash float within the First Response Service and registered the safe which is used as suitable.

### **3. Options considered and recommended proposal**

- 3.1 No further options considered and recommended that the actions as outlined are progressed to completion. Ongoing review of the outcome of the audit activity to be considered by Children and Young People Services.

### **4. Consultation on proposal**

- 4.1 The outcome of the audit, the action plan, and the progress to date have been discussed with the Directorate Leadership Team. The Strategic Director has updated the Cabinet Member in relation to the findings of the audit and subsequent action taken.

### **5. Timetable and Accountability for Implementing this Decision**

- 5.1 The Assistant Director for Children's Social Care is accountable for implementing the actions identified in the audit report. All actions are scheduled to be completed by January 2026.

### **6. Financial and Procurement Advice and Implications**

- 6.1 The report provides an update on actions and therefore there are no direct financial & procurement implications arising from the report.

### **7. Legal Advice and Implications**

- 7.1 The report provides an update on actions and therefore there are no direct legal implications arising from the report.

### **8. Human Resources Advice and Implications**

- 8.1 The report provides an update on actions and therefore there are no direct Human Resources implications arising from the report.

### **9. Implications for Children and Young People and Vulnerable Adults**

- 9.1 The report provides an update on actions and therefore there are no direct implications for Children and Young People and Vulnerable Adults arising from the report.

### **10. Equalities and Human Rights Advice and Implications**

- 10.1 The report provides an update on actions and therefore there are no direct equalities and human rights implications arising from the report.

## **11. Implications for CO<sub>2</sub> Emissions and Climate Change**

- 11.1 The report provides an update on actions and therefore there are no direct climate change implications arising from the report.

## **12. Implications for Partners**

- 12.1 The report provides an update on actions and therefore there are no direct implications for partners arising from the report.

## **13. Risks and Mitigation**

- 13.1 Implementation of the actions agreed during the audit will help to mitigate the risks it identified.

### **Accountable Officer(s)**

Stuart Williams – Assistant Director Children's Social Care.

*Report Author: Stuart Williams – Assistant Director Children's Social Care.*

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