Education, Children and Families Committee

10.00am, Tuesday, 8 October 2019

Internal Audit - Communities and Families Historic Audit Actions- referral from the Governance, Risk and Best Value Committee

Executive/routine
Wards
Council Commitments

1. Recommendations

1.1 To note that The Governance, Risk and Best Value Committee has referred two overdue historic actions to Committee for review and scrutiny.

Alistair Gaw

Executive Director for Communities and Families

Contact: Alistair Gaw, Executive Director for Communities and Families

E-mail: Alistair.gaw@edinburgh.gov.uk | Tel: 0131 469 5725

Report

Internal Audit- Communities and Families Historic and Overdue Audit Actions- referral from the Governance, Risk and Best Value Committee

2. Terms of Referral

2.1   The Governance, Risk and Best Value Committee on 13 August 2019 considered a report by the Chief Internal Auditor, Internal Audit Annual Opinion for the year ended 31 March, which detailed the outcome of the audits carried out as part of the Council's 2018/19 Internal Audit annual plan and the status of open Internal Audit findings as at 31 March 2019.

2.2   The Governance, Risk and Best Value Committee agreed:

2.2.1   To note the Internal Audit opinion for the year ended 31 March 2019.

2.2.2   To request that the Chief Executive, Executive Directors and Chief Officer of the Edinburgh Health and Social Care Partnership, supported by the Chief Internal Auditor, report to the relevant Executive Committee at the earliest opportunity and the subsequent Governance, Risk and Best Value Committee setting out clear plans to ensure the closure of all historic and overdue internal audit management actions to enable an improvement to the overall Internal Audit Opinion for 2019/20.

2.2.3   To refer all audits with a red finding to the next meeting of the appropriate Executive Committee for their consideration and that action plans would be reported back to the Governance, Risk and Best Value Committee.

2.3   This report therefore refers the two audit actions to the Education, Children and Families Committee for consideration.

2.4   The full Internal Audit reports relating to the two historic actions are contained in Appendices 1 and 2.

3. Background

3.1 Internal Audit Annual Opinion 2018/19 – report by the Chief Internal Auditor

3.2 Governance, Risk and Best Value Committee – 13 August 2019 – Webcast

3.3 Set out below are the two overdue historic audit actions and the plans to ensure closure:

Internal Audit Open and Overdue Management Actions Detailed Analysis

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Management update and revised date (including rationale)	Dates	Contributor
24	Foster Care Review Foster & Kinship Care Vetting, Approval, and Agreements Alistair Gaw, Executive Director of Communities and Families	Medium	6. Kinship Carer Agreements Started	6.1 Procedures to be reviewed and updated to specify that a Carer Agreement must be signed by the carer and the Council, a copy provided to the carer and the original held on file.6.2 Formal checks will be implemented (prior to placements being offered) to ensure that all foster and kinship carer agreements have been signed by both the carer and the Council, and that a copy of the signed agreement has been	Historically, the task of seeking kinship carer's to sign kinship carer agreements sat with the practice team. This process was changed in November of last year when the screening of new kinship placements transferred to the Kinship team leaders. This requires the submission of the following to Kinship	Estimated Date: 30/09/2018 Revised Date: 29/11/2019 No of Revisions 3	Andy Jeffries Bernadette Oxley Nickey Boyle Russell Sutherland Ruth Currie Sean Bell

EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Management update and revised date (including rationale)	Dates	Contributor
				issued to the carer and securely retained by the Council.	Team leaders from practice team social workers: ➢ The change of circumstances form ➢ Kinship Allowance Form ➢ BACS form. ➢ Signed and scanned kinship care agreement (only if the child is LAAC). This process has not been complied with consistently. The prime issue currently is kinship agreements being signed off on a prior version of the form. The new version		

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Management update and revised date (including rationale)	Dates	Contributor
					reflects GDPR requirements. Should the old version be received it is returned with a request for the new one to be signed. Kinship Team leaders have revised the process to include a timescale and an escalation (to team leader, then PTM,) for submission of the required documentation, including the kinship carer agreement. To address this a further reminder will be issued to the Senior Manager, Children's Practice and Review Team, to share within his service.		

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Management update and revised date (including rationale)	Dates	Contributor
					The Team Manager, Family based care will conduct an audit of kinship agreements on a 6 monthly basis to ensure the correct application of the process.		
82	Validation of Management Actions 2018/19

Validation Audit CW1810 reopened finding - CF1513: Use of unsupported technology devices in schools | High | Validation Audit CW1810 - Issue 1.1 CF1513: Guidance for use of non-hosted devices

Started | A new protocol has been developed to accompany the Acceptable Use Policy. This will be emailed to all school offices in May ready for the new school year. | **This action has now been closed** and noted as implemented by Internal Audit.

The protocol was issued to all schools on the 6 September 2019. | Estimated Date: 31/03/2016 Revised Date: 30/09/2019 No of Revisions 1 | Andy Gray Lorna Sweeney Nickey Boyle Richard Burgess |

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Management update and revised date (including rationale)	Dates	Contributor
	Alistair Gaw, Executive Director of Communities and Families	High					
83	Validation of Management Actions 2018/19

Validation Audit CW1810 reopened finding - CF1513: Use of unsupported technology devices in schools

Alistair Gaw, Executive Director of | High | Validation Audit CW1810 - Issue 1.2 CF1513: Application of guidance by employees

Started | Staff will be asked to read and sign annually that they will adhere to the guidance, particularly the use of passwords and minimum operating requirements. | **This action has now been closed** and noted as implemented by Internal Audit.

Annual assurance will be sought through risk matters/the self-assurance framework to ensure the guidance is being adhered to. | Estimated Date: 31/03/2016 Revised Date: 30/09/2019 No of Revisions 1 | Andy Gray Lorna Sweeney Nickey Boyle Richard Burgess |

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Management update and revised date (including rationale)	Dates	Contributor
	Communities and Families						

4.   Appendices

4.1   Appendix 1   CF1702 Foster Care

4.2   Appendix 2   CF1513 School IT Systems

The City of Edinburgh Council
Internal Audit

Foster Care Review

Final Report

11 May 2018

CF1702

Contents

1. Background and Scope

Background

The Looked After and Accommodated Children service is currently developing a new strategy focusing on early and intensive intervention to ensure that fewer children and young people become 'looked after'. The new strategy will consider the increasing child population; the implications of Self Directed Support; Children and Young People (Scotland) Act 2014 requirements; and the increasing number of Unaccompanied Asylum-Seeking Children.

A key element of this strategy is ensuring that where a child requires to be 'looked after', appropriate kinship or foster care arrangements are established with suitable kinship or foster carers directly engaged by the Council, reducing the need to source care arrangements from costly external providers.

Vetting, Approval, and Agreement Processes

Standard processes are applied to ensure that all potential foster and kinship carers are thoroughly vetted; formally approved by Agency Decision Makers (ADMs) following assessor and panel recommendations; and that formal care agreements supporting the arrangements are signed.

Foster and kinship carer vetting is performed by Social Workers with the outcomes recorded in assessment reports. Vetting involves confirmation of identity; completion of relevant protection of vulnerable groups (PVG) disclosure checks; receipt and review of personal references; and completion of local authority, household, and background checks per LAC regulation requirements.

All completed assessment reports and supporting recommendations for foster and kinship arrangements should be signed by the Assessing Social Worker and reviewed and signed by a Family Based Care (FBC) or Kinship Care Team Leader. For foster carers, the report should also be shared with and signed by the applicants prior to panel review and approval.

A formal agreement is signed by both the foster and kinship carer and the Council prior to placement of children, to confirm that both parties fully understand their respective responsibilities.

Payments to Carers and Arrangements for Young People

Foster and kinship carers are paid by the Council as self-employed individuals. The amount paid is based on a standard table of rates. Different rates apply according to the nature of care provided and age bands. Additional ad hoc payments are also made to cover additional costs incurred (for example holidays or travel).

All payments made to carers are authorised by Social Workers and processed by the Carer Payment Team (CPT) who report through Resources. Social Work Practice Teams are also required to review unauthorised payment reports in advance of payment runs to confirm that all placement changes they requested have been completely and accurately processed by the CPT.

Continuing care legislation requires that authorised arrangements for payments in respect of young people over 18 years must be established prior to the young person's 18th birthday.

Social Workers are responsible for ensuring that these arrangements are established on time by completing authorisation requests and supporting questionnaires in Swift. The CPT monitor and ensure that this workflow progresses to Senior Managers for authorisation, and process new payment rates once approved.

Scope

The scope of this review assessed the design and operating effectiveness of the key controls established to support management of foster care provision and carer payments, and mitigate the following risks:

- harm to children in our care and their carers;
- increased use of higher cost service provision;
- failure to manage budgets; and
- non- compliance with applicable legislation.

Testing, where appropriate, was performed for the period October 2016 to January 2018.

The full terms of reference are included at appendix 2.

2. Executive summary

Total number of findings

Critical	0
High	1
Medium	2
Low	1
Advisory	1
Total	**5**

Summary of findings

Significant progress is evident in relation to the implementation of the looked after and accommodated children (LAAC) transformation, with reports to the Education, Children & Families and GRBV committees in August and December 2017 confirming that many of the targets had been achieved or exceeded, with a reduction in the number of children in foster care; an increase in kinship care placements, and a reduction in the use of secure care. However, the service was behind target to reduce the percentage of independent (non-Council) foster care and residential care placements.

As part of the Council balance of care strategy, foster care is proactively promoted with the objective of establishing appropriate foster care arrangements directly with the Council. To support vulnerable, looked after children, (either through kinship or foster care) it is essential that thorough and legislatively compliant vetting and approval processes are established and consistently applied, with clear carer agreements in place that are signed by both carers and the Council. It is also important to ensure that the costs associated with foster and kinship care are effectively managed, including completeness and accuracy of payments to carers.

Our review of the foster and kinship care vetting, approval and agreements process identified some significant control weaknesses that could potentially result in approval of carers who have not been thoroughly vetted; and potential non-compliance with applicable Looked After Children Legislation.

It should be noted however, that effective post carer approval monitoring and review processes have been established, and are consistently applied to ensure that carers are fully supported and continue to meet children's needs. All placement referrals are actively prioritised and monitored at weekly management and panel review meetings until an appropriate solution for the child is identified.

Our review of payment processes also identified some moderate control weaknesses (notably failure by Social Workers to evidence review of weekly and 4 weekly unauthorised payment reports) that could result in unauthorised or inaccurate payments being made. Whilst some control weaknesses have been identified, we noted that there are comprehensive payments process notes in place, and that effective reconciliation controls are applied to confirm that payments recorded in SWIFT are accurately transferred across to the Oracle purchase ledger for final payment. There are also effective controls in place supporting the addition and removal of foster and kinship carers.

Additionally, we identified that financial arrangements for continuing care are not being consistently established and reviewed by Social Workers as required per applicable legislation; and that that the process to recover overpayment of carer payments is not consistently applied.

Consequently, one High; two Medium and one Low rated findings have been raised. An Advisory recommendation has also been included, highlighting best practice improvement opportunities identified. Our detailed findings and recommendations are laid out at Section 3 below.

3. Detailed findings

1. Foster & Kinship Care Vetting, Referral, Approval, and Agreements

Finding

A sample of ten foster care and ten kinship care arrangements were selected and reviewed to confirm that the vetting and assessment and approval processes had been completed as per established processes and applicable Looked After Children regulatory requirements. Care agreements were also reviewed to confirm that these had been completed and signed by both parties.

A sample of ten assessment of need and risk forms were selected and reviewed to confirm that kinship care placements had been considered and discounted prior to a request for foster care placements.

The following Significant control gaps have been identified:

1. **Foster Carer Vetting –** In one instance, the required checks had not been fully completed, despite the carer being granted approval in principle. No placements had yet been approved for this carer due to a post panel disclosure.

   For a further four cases, the assessment reports were incomplete and did not include the outcomes of all checks performed, although evidence was available elsewhere for three of the four cases (e.g. SWIFT and paper files) that satisfactory checks had been completed.

2. **Kinship Carer Vetting –** In one case, a family member disclosure was outstanding and the final decision was subject to acceptable medical checks for another family member. The Referring Social Worker noted that she was not aware that the disclosure should have been progressed by the Practice Team, and this is now being actioned.

   A second assessment report was also incomplete as not all relevant health assessment information had been included, however it was confirmed that this information was passed to the Agency Decision Maker (ADM) with the report.

3. **Foster Carer Assessment and Decisioning –** applicant review and approval of assessment forms was not evident in 60% of the sample reviewed, and there was no evidence of Social Worker and Team Leader sign off for 50% of the sample.

4. **Kinship Carer Assessment and Decisioning –** two assessment reports (20% of the sample) did not include the names of the Social Workers who had performed the assessment or the Team Leader who had performed the review. Names were type signed in word documents for the remaining 8. There was also no evidence of electronic sign off supporting eight ADM decisions; names were also type signed.

5. **Foster Carer Agreements** - Five of ten agreements had been signed by both the Council and the carer, and three had been signed by the carer only. Two agreements were not found. One of these, was not finalised as a post panel disclosure has resulted in no placements being offered, however,

one could not be located as no paper file had been created and a child had been placed with carers without an agreement being in place.

6. **Kinship Carer Agreements** - No evidence was provided to confirm that kinship agreements are routinely completed and signed by both parties. Of the nine Practice Team Social Workers contacted, only three responded, and confirmed that agreements were not in place. Two committed to rectifying the omission, and one signed agreement has subsequently been put in place. In one case, it was noted that the family were not willing to progress with kinship arrangements.

7. **Review of Carer Agreements** – Kinship and foster carer agreements have not been revised since October 2009, when current LAC regulations came into force. LAC guidance requires the content of agreements to be reviewed at intervals by authorities.

    Current agreement templates are between the Children and Families Department and carers, which does not accurately reflect the current Council structure.

8. **Assessment of Need and Risk Forms** - The Practice Team Social Worker (PTSW) is required to tick a box on the referral form to confirm their Line Manager agreement to the referral, however this process does not provide adequate evidence of Line Manager review and approval.

Business Implication	Finding Rating
- Potential foster and kinship carers are not thoroughly vetted; - Incomplete assessment reports are presented to the panel and ADM for approval and decision; - Foster and kinship carers are not fully aware of their own and the Council's responsibilities; - Potential non-compliance with LAC regulations; and - Referrals for foster care placement are submitted without appropriate authority.	**High**

Action plans	
Recommendation	**Responsible Officer**
1. And 2. Existing foster and kinship carer vetting processes should be reviewed, updated, and implemented across all Social Work teams. The processes should specify all necessary checks to be performed and the requirement to record and retain the outcomes. Document retention methods that meet current Data Protection and future General Data Protection Requirements should also be included in the revised process documentation.	Family Based Care Team Manager (Foster Care) - 1, 3, 5 & 7 Family Based Care Team Manager (Kinship Care) – 2, 4, 6 & 7 Senior manager for Children's Practice Teams - 6 & 8
3. And 4. Assessment reports and agency decisions should not be approved until all necessary vetting has been fully completed. A formal review of all assessment reports should be performed by line management prior to submission to panel and ADM to confirm that all vetting outcomes are completely and accurately reflected in the report. Additionally, assessment reports should be signed as evidence of this review.	
5. And 6. A check should be established to confirm (prior to any placements being offered) that foster or kinship care agreements signed by both the carer and the Council are in place, and that a copy of the signed agreement has been issued to the carer and securely retained by the Council.	

7. Existing foster and kinship care template agreements should be reviewed and refreshed (at least annually) to confirm that their content remains aligned with applicable Looked After Children (LAC) legislation and current Council structure. 8. The Line Manager of the PTSW should be copied into the email referral to evidence their agreement and approval of the referral.	
Agreed Management Action	**Estimated Implementation Date**
1. Foster Care Vetting Family Based Care process for checking carers has been updated and revisions included in service End to End procedures. Specific actions include all statutory checks (PVG, Medical and Local Authority) having to be requested immediately at recruitment screening stage and three months prior to Carer Review. This will eliminate checks not being available as evidence for Fostering Panels. FBC Team Leader quality assurance checklists for foster care assessments have been updated to require sight of signed copies of assessment reports prior to Panel submission. Team Leaders will review in supervision that signed copies of all completed assessment reports are held in the Carers paper file.	31 May 2018
2. Kinship Carer Vetting Assessment reports are checked by the Team Leader before forwarding to panel and/or ADM. This will ensure that statutory checks are included as well as being referred to in the assessment. Team leaders will also ensure that all submissions are signed by the assessor and countersigned by themselves. Team leaders will be informed from now that they will sign all assessments. Assessors are, in the main, engaged outwith FBC and commissioned via a fixed fee format for their completed assessments. Some are employees of CEC and others are not. A plan will be developed to enable them to create and use an electronic signature or similar sign off method.	30 September 2018
3. Foster Care Assessment and Decisioning FBC Team Leader quality assurance checklists for foster care assessments have been updated to require sight of signed copies of assessment reports prior to Panel submission. Team Leaders will review in supervision that signed copies of all completed assessment reports are held in the Carers paper file and required in End to End processes. Additional, regular file auditing undertaken internally with this the service will quality assure procedures are being implemented.	31 May 2018
4. Kinship Assessment and Decisioning Kinship assessors will be asked to sign and include their name with all of their assessment submissions. Team Leaders will also be asked to sign and include their name when endorsing the assessment. This will be incorporated into Kinship processes.	30 September 2018
5. Foster Carer Agreements End to End procedures specify that a Carer Agreement must be signed by the carer and CEC, a copy provided to the carer and the original held on file.	30 June 2018

6. **Kinship Carer Agreements** Procedures to be reviewed and updated to specify that a Carer Agreement must be signed by the carer and CEC, a copy provided to the carer and the original held on file.	30 September 2018
6. **5 & 6** Formal checks will be implemented (prior to placements being offered) to ensure that all foster and kinship carer agreements have been signed by both the carer and the Council, and that a copy of the signed agreement has been issued to the carer and securely retained by the Council.	
7. **Review of Carer Agreements** The content of the current Carer Agreement is compliant with requirements of Schedule 6 of the Looked After Children (Scotland) Regulations 2009. The contents of this document will be reviewed alongside the development of revised information to support Continuing Care placements.	31 May 2018
The Kinship carer agreement document will be reviewed separately to this but within the same timescale.	31 May 2018
8. **Assessment of Need and Risk Forms** The process of Line Manager agreement will be reviewed to provide evidence of approval for the referral, Team Leaders will be copied into the email referral to Intake.	30 June 2018

2. Carer Payments

Finding

1. Payments to Carers

A sample of 25 ad hoc payments were selected for review from the monthly business objects reports that detail all additional payments made. Review of the sample established that:

- In one case, Senior Manager authorisation for continued extra weekly payments of £393.74 could not be found and it was noted that authority may have been verbal. A future review date required for this payment had also not been recorded in Swift. This has now been corrected.

- Payment review dates are not consistently provided to the CPT by Social Workers, and confirmation that additional payments should continue is not consistently provided in advance of the specified review or end date.

2. Social Worker Review of Payments

Social Work Practice Teams are required to review unauthorised payment reports in advance of weekly and four weekly payment runs to confirm that all changes they requested have been completely and accurately processed by the CPT.

Evidence of checks performed should be recorded on a tracker and any issues identified raised with the CPT and addressed prior to release of payments. If there are no issues, this should be recorded on the tracker to evidence completion of the review.

Review of four weekly and one four weekly trackers across four Practice Teams and the disability team (25 entries across 5 trackers) confirmed that:

- Team sections within the 5 unauthorised payment reports tested had not been reviewed as required prior to payment in 14 of 25 instances;
- There was no evidence of completion of any checks by one Practice Team; and
- Only one team from the five had checked the four-weekly report selected for review.

Business Implication	Finding Rating
Unauthorised or inaccurate payments are made to carers that may not be recovered.	**Medium**

Action plans	
Recommendation	**Responsible Officer**
1. Authorisation should be provided by FBC and Practice Team Managers in advance of any additional payments being made. Evidence of authorisation should be retained by the CPT.	Neil Kirkpatrick, Business Support Team Manager – 1, 2 & 3
2. An escalation process should be established and implemented to ensure that updates, and approvals for extensions to additional payments are provided by FBC and Practice Team Managers or Team Leaders to the CPT prior to the review / end date recorded on SWIFT.	
3. The requirement for Practice Team Business Support to review unauthorised payment reports and evidence their review via the tracker should be reinforced. Practice Team Managers should also review the trackers prior to payment to ensure that all Social Work team members have performed the necessary review. Any instances where the review has not been performed prior to payment should be addressed via the performance management process.	
Agreed Management Action	**Estimated Implementation Date**
1. CPT are currently revising their processes. Going forward, all payment updates will be provided by Social Workers on Carer Fee Payment forms rather than via email, and future review dates noted on this form for entry to Swift. This process is still being embedded.	31 May 2018
2. The CPT will run a report with payment review dates on a monthly basis for the month ahead and send it to the appropriate Team Manager and Team Leader highlighting the need for a member of their team to review the service/payment and complete the appropriate paper work as required.	31 May 2018
3. The CF Central Business Support Team Manager has issued an email reminding all Business Support Team Managers that this process is necessary to confirm completeness and accuracy of carer payments and request their team's weekly returns. The weekly returns will be copied to the relevant CPTM when emailing to the CPT. The CPT will track the returns and liaise with the appropriate teams when information is not received.	31 May 2018

3. Arrangements for Young People

Finding
Eight entries were selected from a December 2017 report produced by the CPT detailing costs for all young people 17 and over. Review of this sample established that: • One 18-year old was incorrectly categorised as a mainstream placement rather than 18+ Foster Care, as an authorisation request and questionnaire provided was not supported by adequate information. • One questionnaire had been completed and entered into Swift, but had not been set up as a workflow request for authorisation, and had therefore been missed. This has now been escalated for review. • Two approved 18+ placements had future review dates recorded in Swift, however, this date field is not currently monitored. One of the cases was due for review in the month tested and had not been actioned yet. In addition to the above testing, it was noted that for 20 placements correctly categorised as 18+ Foster Care on this report, three were not supported by evidence of LAC Manager approval, and seven had expired approvals on SWIFT. Whilst placements with external providers were not included within our scope, it should be noted that these issues also apply to these arrangements. As at December 2017, we identified four external placements for 18-year olds that were incorrectly categorised as foster care provision rather than 18+ foster care.

Business Implication	Finding Rating
Appropriate arrangements are not established as per the timeframes specified in continuing care legislation.	**Medium**

Action plans	
Recommendation	**Responsible Officer**
1. Existing processes should be reviewed and refreshed with appropriate management oversight implemented to ensure that future plans for young people are prepared, reviewed and implemented within the required regulatory timeframes. 2. A review of all young people aged 17 and over should be performed to confirm appropriateness of existing arrangements and address any instances of missed reviews based on the dates recorded in SWIFT. 3. Trigger dates based on dates of birth should be recorded in Swift for each placement, and an exception report designed, implemented, and provided to Social Work Practice Teams to ensure that future reviews are completed on time.	Neil Kirkpatrick, Business Support Team Manager – 1 & 3 Looked After Children Service Manager - 2
Agreed Management Action	**Estimated Implementation Date**
1. As of March 2018, the process includes the +18-year authorisation report being sent to CPTMs for them to review any placements without the required authority and action as appropriate.	31 May 2018

| 2. All placements of 17-year olds to be reviewed and taken to the CPTM meeting to discuss requirement and timescales. | 31 July 2018 |
| 3. There is an exception report available through Business Objects detailing any +18-year placements recorded on Swift incorrectly as Looked After and Accommodated Children. This report is on the Business Support Team report matrix to be run weekly. The Business Support Relationship Manager has this diarised to run quarterly and liaise with any teams that need placements updated on Swift. | 31 May 2018 |

4. Recovery of Overpayments

Finding
Carer payments are paid weekly or four weekly in advance. Where a foster placement ends and there is a subsequent placement, any overpayment is offset against future payments for the next placement.

For kinship carers where placements are made for specific children, overpayments consistently occur when the placement ends.

A payment booklet issued to all carers notes that overpayments must be repaid within eight weeks.

Where an overpayment requires to be recovered, a letter detailing the amount due is issued to the carer. No timescale is specified for receipt of payment. If no payment is received, a reminder letter is issued noting that a debtor account will be raised in the Council Accounts Receivable system if the debt is not settled in 14 days. Outstanding payments remain on an exception report until settled.

Five overpayments in respect of kinship care totalling £3,567.15 in value were selected from a prepayment run exception report as at 05/10/17. A total of 99 overpayments in respect of 48 foster, kinship and respite carers, and prospective adopters with a value of £53,622.60 were included in this report. The most historic overpayment included in the report that had not been recovered was for £596.34 and dated back to August 2016.

Review of this sample established that appropriate action to offset or recover overpayments was being taken, however:

- In two cases, reminder letters had not been issued as at mid-January 2018 in respect of overpayments to July and October 2017 for £416.83 and £456.36 respectively

- For an overpayment to May 2017 for £822.29, overpayment and reminder letters were issued in June and August 2017, however, an accounts receivable debtor account was not raised until October 2017.

Business Implication	Finding Rating
Overpayments are not effectively monitored to ensure prompt settlement of debt.	**Low**

Action plans	
Recommendation	**Responsible Officer**
1. Existing processes in relation to recovery of overpayments should be reviewed, updated, and implemented. Process changes should include the requirement for enhanced weekly review of exception reports to	Neil Kirkpatrick, Business Support Team Manager - 1,2,3 & 4

ensure that overpayment and reminder letters are issued, and debtor accounts created on a timely basis;

2. A timescale for receipt of payments should be detailed in the first overpayment letter issued, and this due date used to inform the timely issue of a reminder letter if required;

3. The overpayment process outlined in the carer payment booklet should be reviewed. Consideration should be given to reducing the current eight week repayment timescale; and

4. Sample checks should be performed by management monthly to confirm that the overpayments process is being consistently applied.

Agreed Management Action	Estimated Implementation Date
1. The process will be updated to reflect overpayment letters being sent within 2 weeks of the overpayment being realised. A weekly report of overpayments will be run and passed to FBC Team Manager for timescale of payment from the carer.	30 June 2018
2. The initial overpayment letter will be updated to request that payments be received within the timescales set out by FBC Team Managers as detailed below.	30 June 2018
3. Timescales of repayments will be agreed by FBC Team Manager dependent on individual circumstances. The rates booklet will be updated to reflect this change. Any write off is to be authorised by Senior Manager.	30 June 2018
4. The process will be updated with the Business Support Team Manager / Officer conducting a monthly spot check of the overpayment process.	30 June 2018

5. Best Practice Improvement Opportunities

Finding
Use of Electronic Signatures Given the high volume of documents that require to be signed as part of the foster and kinship vetting; approval; agreement, intake referral; and payment processes, significant benefit would be gained from implementation and use of electronic signatures.

Business Implication	Finding Rating
Processes could be completed without a record being held to evidence that the required level of review and formal sign off has been performed.	**Advisory**

Action plans	
Recommendation	**Responsible Officer**
Implementation of electronic signatures should be considered across FBC and Social Work Practice Teams.	Freeha Ahmed, FBC Business Support Team Manager

	Neil Kirkpatrick, Practice Teams Business Support Team Manager
Agreed Management Action	**Estimated Implementation Date**
A review of all documents requiring approval will be performed to determine the feasibility of implementing electronic signatures for all authorising managers. Where electronic signatures are implemented, the original signature will be retained on the managers H drive to ensure that they cannot be copied and / or used inappropriately.	30 September 2018

Appendix 1 - Basis of our classifications

Finding rating	Assessment rationale
Critical	A finding that could have a: • *Critical* impact on operational performance; or • *Critical* monetary or financial statement impact; or • *Critical* breach in laws and regulations that could result in material fines or consequences*; or* • *Critical* impact on the reputation or brand of the organisation which could threaten its future viability.
High	A finding that could have a: • *Significant* impact on operational performance; or • *Significant* monetary or financial statement impact; or • *Significant* breach in laws and regulations resulting in significant fines and consequences*; or* • *Significant* impact on the reputation or brand of the organisation.
Medium	A finding that could have a: • *Moderate* impact on operational performance; or • *Moderate* monetary or financial statement impact; or • *Moderate* breach in laws and regulations resulting in fines and consequences; or • *Moderate* impact on the reputation or brand of the organisation.
Low	A finding that could have a: • *Minor* impact on the organisation's operational performance; or • *Minor* monetary or financial statement impact; or • *Minor* breach in laws and regulations with limited consequences; or • *Minor* impact on the reputation of the organisation.
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.

Appendix 2 – Terms of Reference

Communities & Families

Terms of Reference – Foster Care Review

To: Alistair Gaw, Executive Director of C&F

From: Lesley Newdall, Chief Internal Auditor,   Date: 21st September 2017

Cc: Andy Jeffries, Scott Dunbar, Neil Bruce, Russell Sutherland, Sean Bell, Nicola Harvey, Louise McRae, Jane Brown, Brendan O'hara

This review is being undertaken as part of the 2017/18 internal audit plan approved by the Governance, Risk and Best Value Committee in March 2017.

Background

The primary strategic objective for looked after & accommodated children (LAAC) is to shift the balance of the Service from relatively high cost, external providers to high quality local services, and to deliver consistent early and intensive intervention approaches so that fewer children and young people (C&YP) need to be accommodated. Where C&YP do need to be accommodated, to make sure they are accommodated within existing Council (CEC) LAAC services.

A transformation programme to achieve this change commenced in 2013. Regular progress updates are provided to the Education, Children & Families and Governance Risk & Best Value committees.

The latest update reported that many of the targets had been achieved or exceeded, including an overall reduction in the LAAC population; a reduction in the number of children in foster care; an increase in kinship care placements, and a reduction in the use of secure care. However the service was behind target to reduce the percentage of independent foster placements and reduce use of residential care placements.

As a result, the service is in the process of developing a new strategy and targets to continue to reduce the need for children to become Looked After taking into account factors such as the rising child population; the implications of implementing Self Directed Support; the requirements of the Children and Young People (Scotland) Act 2014; and the increases in Unaccompanied Asylum Seeking Children.

Scope

The scope of this review will be to assess the design and operating effectiveness of the controls in place for the management of foster care provision and payments to carers, to mitigate the risks of:

- harm to children in our care and their carers;
- increased use of higher cost service provision;
- failure to manage budgets; and
- non- compliance with legislation.

These risks are encompassed in a key strategic / operational risk included in the C&F SMT risk register in relation to the balance of care: 'Much of the cost of care of children and young people is demand-led and relies on expensive external providers. If the balance between enabling and commissioning levels of care is not optimal the Council may not be able to sustain adequate levels of service. There has been an increase in unaccompanied asylum seekers which is increasing the need, this includes asylum seeking children. The impact of any imbalance of care could increase violent incidents further'.

Our audit approach is as follows:

- Obtain an understanding of management of foster care provision through discussions with key personnel, review of systems documentation and walkthrough tests;
- Identify the key risks around management of foster care provision;
- Evaluate the design of the controls in place to address the key risks; and
- Test the operating effectiveness of the key controls.

Testing, where appropriate, will be undertaken for the period October 2016 to September 2017.

The sub-processes and related control objectives included in the review are:

Sub-process	Control Objectives
Manage supply	• An appropriate strategy is in place to manage the balance of care for looked after children; • Appropriate vetting processes in place ensure that in-house carers recruited meet required service standards; • Processes are in place to collate and assess all needs and risks in relation to each looked after child; • All identified needs and risks are provided to family based care to ensure that kinship care and foster care placement decisions best meet the needs and welfare of the looked after child; • Emergency placements can be accommodated when required; • Robust processes are in place to re-allocate resources effectively where placements come to an end; and • All relevant sections are notified in a timely manner where a child ceases to be looked after.
Support & Monitor	• Appropriate support is given to in-house foster carers, kinship carers and the looked after children in their care for the duration of placements; and • There are regular reviews of placements and plans in place to ensure that they continue to fulfil the child's needs and welfare.
Management of Welfare Concerns	• Robust child protection processes apply where allegations are made against foster / kinship carers.
Payment	• All allowances and fees paid to in-house and kinship carers are in line with agreed rates in place; • All payments made are subject to review and regular reconciliation; and • Payments are stopped on time when a placement ends.
Governance	• All relevant policies and procedures are up to date and complied with; • Processes are in place to ensure compliance with applicable legislation; and • Key risks identified are subject to ongoing review by the Senior Management Team.

Limitations of Scope

The scope of our review is outlined above and is limited to a review of foster care provided by the Council, and kinship care. Additionally, the following areas are specifically excluded from scope:

- Records management - social work records within Children & Families are currently being audited separately, and

- External foster care providers - this area was subject to audit review in 2016.

Internal Audit Team

Name	Role	Contact Details
Lesley Newdall	Chief Internal Auditor	0131 469 3216
Hugh Thomson	Principal Audit Manager	0131 469 3147
Christine Shaw	Internal Auditor	0131 469 3075

Key Contacts

Name	Title	Role	Contact Details
Andy Jeffries	Interim Head of Children's Services	Review Sponsor	0131 469 3388
Scott Dunbar	Service Manager Looked After Children	Key Contact	0131 469 3123
Neil Bruce	Team Manager, Family Based Care	Key Contact	0131 529 2137
Russell Sutherland	Team Manager, Family Based Care	Key Contact	0131 469 3076
Louise McRae	Business Support Manager, Customer	Key Contact	0131 529 2109
Brendan O'hara	Senior Accountant, C&F	Key Contact	0131 469 3620

Timetable

Fieldwork Start	18th September 2017
Fieldwork Completed	13th October 2017
Draft report to Auditee	27th October 2017
Response from Auditee	10th November 2017
Final Report to Auditee	17th November 2017

Follow Up Process

Where reportable audit findings are identified, the extent to which each recommendation has been implemented will be reviewed in accordance with estimated implementation dates outlined in the final report.

Evidence should be prepared and submitted to Audit in support of action taken to implement recommendations. Actions remain outstanding until suitable evidence is provided to close them down.

Monitoring of outstanding management actions is undertaken via monthly updates to the Directorate and Senior Executive Officer. The Senior Executive Officer liaises with Service Areas to ensure that updates and appropriate evidence are provided when required.

Details of outstanding actions are reported to the Governance, Risk & Best Value (GRBV) Committee on a quarterly basis.

Appendix 1: Information Request

It would be helpful to have the following available prior to our audit or at the latest our first day of field work:

- Any relevant documented processes.

This list is not intended to be exhaustive; we may require additional information during the audit which we will bring to your attention at the earliest opportunity.

The City of Edinburgh Council
Internal Audit

School IT Systems
Children & Families

Final

February 2016

CF1513

Contents

Although there are a number of specific recommendations included in this report to strengthen internal control, it is management's responsibility to design, implement and maintain an effective control framework, and for the prevention and detection of irregularities and fraud. This is an essential part of the efficient management of the Council. Communication of the issues and weaknesses arising from this audit does not absolve management of this responsibility. High and Critical risk findings will be raised with senior management and elected members as appropriate.

Executive summary

Total number of findings

Critical		0
High		1
Medium		3
Low		1
Advisory		0
Total		**5**

Summary of findings

The following areas of good practice were identified:
- School shared drives can only be accessed using a BT-provided device;
- Office 365 is being rolled out to schools to facilitate remote working. This is a web-based platform which allows remote access to email, cloud storage and shared documents;
- The 'One-to-One' school visited has developed a database to monitor the condition and use of devices allocated to pupils, and checks devices each week; and
- ICT co-ordinators support and manage the use of IT in schools. ICT co-ordinators attend termly training provided by the Digital Learning Team which cover IT and data security and the use of software available to schools.

The following areas for improvement were identified:
- The existing IT policy does not address security required when staff use their own or a school-managed device for work purposes;
- Arrangements for the safe disposal and recycling or reallocation of iPads, laptops and other school-managed devices should be clarified and communicated to schools;
- A more robust process is required to ensure devices are returned when staff and pupils leave the school, and that data is wiped from missing devices;
- Eight of 25 schools reviewed had not registered all iPads purchased on Meraki. Only nine of 25 schools reviewed on Meraki enforced complex passwords on iPads; and
- Six of 16 schools visited did not have an up-to-date asset register.

Our detailed findings and recommendations are laid out within Section 2: *Detailed findings.*

1. Background and scope

<div style="border:1px solid red;">

Background

The use of IT as an essential learning and teaching resource is promoted and supported by the Digital Learning Team. The school IT estate consists of hardware acquired centrally by the Council under a BT service contract and hardware purchased directly by schools. Schools are responsible for managing all devices purchased outside the BT service contract using school funds.

School-managed devices are predominantly iPads purchased for classroom use. Models vary from single classroom iPads to 'one-to-one' schools where each pupil is assigned an iPad. The Digital Learning Team encourages schools to use Meraki to manage iPad use. This is mobile device management software which enables schools to monitor the use of devices and enforce passwords and security settings. It also allows access to apps under the volume purchasing agreement.

Access to school servers is restricted to devices purchased under the BT service contract. All other devices, including school-managed computers and tablets, only have web access. Office 365 is being introduced to schools to facilitate remote working. Office 365 is a web-based application which allows secure access to emails and cloud storage, and enables users to share documents securely.

Scope

The scope of this review was to assess the design and operating effectiveness of controls relating to access to applications and data in the school IT estate. The review was focussed on school-managed devices and covered:

- Security requirements for access to applications and data;
- IT policy;
- Tracking of hardware; and
- Reporting of security issues.

For the full terms of reference see Appendix 2.

</div>

2. Detailed findings

1. Use of non-BT devices

Finding
Teaching staff commonly use personal and school-managed computers for work purposes, which may on occasion involve personal and sensitive data. These are not supported by BT and as such may not have full security such as passwords and anti-virus and encryption software installed. We identified one instance where sensitive personnel data was held on an unencrypted memory stick.

Office 365 has been introduced to all schools. It enables staff and pupils to work remotely on a secure web-based platform and eliminates the need for data to be stored on hard drives. However, use of Office 365 is still limited in some schools and there is evidence that data is still stored on personal and school-managed hard drives.

While staff are required to comply with the corporate Acceptable Use of IT policy, the policy does not specify security required when staff are using their own device for work purposes. We further note that staff at six of 14 schools visited had not completed mandatory training on information governance at time of our audit visits between September and November 2015. |

Business Implication	Finding Rating
- Personal and sensitive data may be held on unencrypted devices. This increases the risk of a data security breach if the device is lost or stolen.	**High**

Action plans	
Recommendation	**Responsible Officer**
School staff should be encouraged to use Office 365 exclusively when using a non-BT managed device for work, and ensure that their device is password protected.

Guidance on the use of non-BT managed devices for work should be issued to schools staff, including

- Secure storage of data on Office 365 or an encrypted device;
- Anti-virus software;
- Passwords; and
- Physical security.

All staff should be required to confirm understanding of and compliance with the guidance. | Len Timson / Richard Burgess and the Digital Learning Team |
| **Agreed Management Action** | **Estimated Implementation Date** |
| We will prepare concise, easy-to-use guidance on the use of non-BT | 31/03/2016 |

managed devices for work, specifying security requirements. The guidance will be introduced to schools at head teachers' and ICT co-ordinators' forums. The guidance will be circulated to schools. Staff will be asked to sign to confirm that they have read and understood the guidance annually.

2. End of life

Finding

iPads bought as part of the technology in schools pilots are now reaching the end of their useful lives. Schools reported uncertainty about how they should dispose of redundant technology, resulting in:

- Unused iPads and laptops stored in schools pending confirmation of disposal arrangements; and
- Unused iPads sold to school staff with proceeds returned to the school fund.

In each case, ICT technicians confirmed that all data was removed when the device was returned.

Business Implication	Finding Rating
- Increased risk of data loss where devices are not wiped using software certified as compliant with applicable information standards; - Inefficient use of Council resources where unused IT equipment is not reallocated or recycled; and - Inadvertent breach of Waste Electrical and Electronic Equipment regulations should this equipment not be disposed of in an appropriate manner.	**Medium**

Action plans

Recommendation	Responsible Officer
Arrangements for the safe disposal and recycling or reallocation of iPads, laptops and other school-managed devices should be clarified and communicated to schools.	Richard Burgess and the Digital Learning Team. Contract being finalised now.
Agreed Management Action	**Estimated Implementation Date**
A Computer Reselling and Recycling Scheme is being set up for Edinburgh schools. The contract will be finalised by the end of January 2016. The new contract will be introduced as a pilot at one secondary and one primary school before the new arrangements are rolled out to all schools in April 2016.	31 March 2016

3. Missing devices

Finding

We identified one case where an iPad was not returned when the member of staff left the school in August 2015. The teacher's BT user account was kept open until the iPad was returned in November 2015. A BT user account allows access to school shared drives from a BT-managed device and Office 365 from any device.

The school concerned also reported cases where pupils have not returned iPads when they left the school. The pupils' BT user accounts are again kept open until the iPad is retrieved. Four iPads have not yet been retrieved from pupils who left the school in summer 2015.

Business Implication	Finding Rating
- Staff may have access to sensitive data held on shared drives and in personal email accounts after their leaving date; and - Inefficient use of Council resources where IT equipment is not retrieved for reuse or recycling.	**Medium**

Action plans

Recommendation	Responsible Officer
Schools should ensure that the user's BT account is suspended on the day of departure to prevent access to Council systems including email. Procedures should be put in place to ensure that devices are retrieved from staff and students before they leave the school. Data on missing devices should be wiped remotely and the loss reported to the Information Security team.	Len Timson / Richard Burgess and the Digital Learning Team.

Agreed Management Action	Estimated Implementation Date
We will develop a leavers process for school IT co-ordinators to use when a member of staff or a pupil leaves or moves schools. They will be required to confirm they have deleted or suspended the user's network, Office 365, Seemis and any other school-run accounts, and collected any assets held by the leaver. This will be rolled out in conjunction with the asset register (finding 5). The leavers process will introduced at the IT co-ordinators forum and circulated to all schools. Schools will be asked to confirm compliance in their annual assurance statement.	31 March 2016

4. Use of Meraki

Finding
We selected a sample of 25 schools and compared the number of iPads registered on the Meraki mobile device management software to the number of iPads purchased from the preferred supplier and verified the password settings.

- Eight of the 25 schools reviewed had not registered all iPads purchased on Meraki. In one case only 21% of the iPads purchased had been registered on Meraki.

- Only nine of 25 schools reviewed enforce alphanumeric passwords of 6- to 8- characters on iPads registered on Meraki. |

Business Implication	Finding Rating
- iPads not logged on Meraki cannot be tracked or remotely wiped by the school if lost or stolen. - Simple passwords can be easily guessed which may allow someone unauthorised access to a device.	**Medium**

Action plans	
Recommendation	**Responsible Officer**
All iPads should be registered on Meraki and protected by a complex password (8-character, alphanumeric).	Head of Schools and Lifelong Learning
Agreed Management Action	**Estimated Implementation Date**
Use of Meraki, or the replacement CGI mobile device management system, will be made mandatory. It may not always be appropriate to use a complex password, for example for classroom iPads. However, complex passwords will be required where an iPad is allocated to an individual: this will be stipulated in the guidance staff are asked to read and agree to annually (see finding 1).	31/03/2016

5. Asset registers

Finding
Six of 16 schools visited did not have an up-to-date register of high value assets, including laptops, desktops and iPads.

Business Implication	Finding Rating
- Schools may not know who devices have been issued to. - Schools may not identify devices which are missing.	**Low**

Action plans	
Recommendation	**Responsible Officer**
Each school should maintain an asset register. As a minimum this should include asset type, make and model, asset ID and location or user. The school business manager or IT co-ordinator should periodically check the location and condition of assets.	Len Timson / Richard Burgess.
Agreed Management Action	**Estimated Implementation Date**
A template asset register will be circulated to schools with a reminder that all high-value assets such as laptops, PCs and iPads should be recorded on the asset register along with the location or user. Schools will be asked to periodically check the location and condition of assets, and confirm compliance through the local assurance statements.	31/03/2016

Appendix 1 - Basis of our classifications

Finding rating	Assessment rationale
Critical	A finding that could have a: • ***Critical*** impact on operational performance; or • ***Critical*** monetary or financial statement impact; or • ***Critical*** breach in laws and regulations that could result in material fines or consequences*; or* • ***Critical*** impact on the reputation or brand of the organisation which could threaten its future viability.
High	A finding that could have a: • ***Significant*** impact on operational performance; or • ***Significant*** monetary or financial statement impact; or • ***Significant*** breach in laws and regulations resulting in significant fines and consequences*; or* • ***Significant*** impact on the reputation or brand of the organisation.
Medium	A finding that could have a: • ***Moderate*** impact on operational performance; or • ***Moderate*** monetary or financial statement impact; or • ***Moderate*** breach in laws and regulations resulting in fines and consequences; or • ***Moderate*** impact on the reputation or brand of the organisation.
Low	A finding that could have a: • ***Minor*** impact on the organisation's operational performance ; or • ***Minor*** monetary or financial statement impact; or • ***Minor*** breach in laws and regulations with limited consequences; or • ***Minor*** impact on the reputation of the organisation.
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.

Appendix 2 – Terms of Reference

Children & Families

Terms of Reference – School IT Systems

To: Gillian Tee
        Director of Children & Families

From: Gemma Dalton   Date: 21 October 2015
        Principal Audit Manager

CC: Key contacts below

This review is being undertaken as part of the 2015/16 internal audit plan approved by the Governance, Risk and Best Value Committee in April 2015.

Background

The school IT estate consists of hardware acquired centrally by the Council under a BT service contract and hardware purchased directly by schools. Staff may also gain limited access via their personal devices. These have differing levels of IT security requirements and access to the Council network, applications and data. Only devices under the BT IT service contract should be able to access the Council network, secure applications and data. All other devices should only have access to the web, which includes learning and teaching core tool Microsoft Office 365. IT devices include desktop computers, laptops, tablets and mobile phones.

Scope

The scope of this review will be to assess the design and operating effectiveness of the Council's controls relating to the access controls for applications and data. The sub-processes and related control objectives included in the review are:

Sub-process	Control Objectives
Access to applications and data	• Only devices that meet minimum security requirements can access secure application and data. • Software changes to Council or school-owned hardware must be authorised.
IT policy	• An IT security policy for schools exists. • The IT policy covers all hardware used by staff in relation to their work. • Staff are aware of the IT security policy and can access it. • Staff must agree to follow the IT policy
Tracking of IT hardware	• There is a complete listing of all IT hardware. • There is a complete record of who is responsible for each device. • Sufficient controls exist to mitigate the risk of security breaches due to lost or stolen devices.
Reporting security issues	• Staff are informed of any security risks. • There is a process for staff to report any potential security breach.

Limitations of Scope

The scope of our review is outlined above. Testing will be undertaken on a sample basis for the period 01 April 2015 to 30 August 2015 where applicable.

Approach

Our audit approach is as follows:

• Obtain an understanding of access controls through discussions with key personnel, review of systems documentation and walkthrough tests;
• Identify the key risks of how security breaches may occur;
• Evaluate the design of the controls in place to address the key risks; and,
• Test the operating effectiveness of the key controls.

Internal Audit Team

Name	Role	Contact Details
Magnus Aitken	Chief Internal Auditor	0131 469 3147
Gemma Dalton	Principal Audit Manager	0131 469 3077

Key Contacts

Name	Title	Role	Contact Details
Gillian Tee	Director of Children & Families	Review Sponsor	0131 469 3322
Andy Gray	Head of Schools and Community Services	Key Contact	0131 529 2217
Sheila Paton	Senior Education Manager (Schools, Quality and Curriculum)	Key Contact	0131 469 3046
Richard Burgess	Lead Officer for Digital Support, Digital Learning Team	Key Contact	0131 469 2989
Len Timson	ICT Development Manager	Key Contact	0131 469 2998

Timetable

Fieldwork Start	21 October 2015
Fieldwork Completed	20 November 2015
Draft report to Auditee	27 November 2015
Response from Auditee	4 December 2015
Final Report to Auditee	11 December 2015
Final report available for presentation to the Governance, Risk and Best Value Committee	December 2015

Note: Actual progress against the dates set out above will be recorded on the face of the final report, along with commentary explaining any discrepancies.