

Appendix 2a: Audit Assurances and Themes

Assurance



Arrangements to deliver financial assistance duties under Section 17 of the Children's Act

Objective

To assess the suitability of arrangements in place to identify, approve, monitor and understand spend in relation to the Section 17 budget, to ensure the most effective use of financial resources on an ongoing basis.

Summary

Section 17 of the Children's Act 1989 (the Act) states that it is the general duty of every local authority to safeguard and promote the welfare of children within their area who are in need and, so far as it is consistent with that duty, to promote the upbringing of such children by their families.

In addition, the Act makes it clear that such services are extended to the family, or a specific family member where a child in need is identified.

Financial assistance in terms of goods or services, or in exceptional circumstances cash, can be provided to a child, parent or carer under Section 17(6) of the Act to address identified needs to safeguard and promote a child's welfare where there is no other legitimate source of financial assistance. When such assistance is being provided, any application needs to be justifiable and the management of any budget relating to support under this section of the Act must align to the local authority's financial regulations.

Management requested a review of Section 17 spending to contribute to an action plan as part of the Children's Services Demand and Reducing Spend Plan. Management welcomed improvements from this review to identify necessary actions which would help inform effective management of Section 17 spend.

During the financial year 2019/20, the Council spent a total of £743,138 on financial assistance under Section 17, with a variety of spend, including the provision of cash payments and allowances. Cash payments for the period totalled £79,380, equating to 11% of the total spend.

Social workers are actively using the Section 17 budgets to provide financial assistance to children and their families where a child in need has been identified. This is being provided through the use of the Council's purchasing and cash payment systems and controls, with required approvals present.

The Council does not define what Section 17 funding can be used for, nor does it provide guidance / guidelines to social workers to help determine what type and level of funding should be used in scenarios, including consideration of alternative funding / support available to inform consistency. Whilst this review did not identify any immediate anomalies or unreasonable spend, this risk remains and it is not possible to formally conclude on reasonableness without clarity of expectations on what the funding can be used for.

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Cash payments have continued to be made and it is recognised by Management that these need to reduce and be replaced by the alternative methods available. By using the purchase ordering system to procure goods and services, this ensures that information about spend and approval is captured in a timely manner and reduces the risk of potential fraud from the misuse of cash. Furthermore, the potential to use procurement cards would also help stop unnecessary cash payments but also provide an immediate audit trail through real-time statements / transaction listings to monitor potential misuse.

Often there is a requirement under the Act for Children's Services to provide support where other Council teams cannot, but it is recognised that Management want greater joint working arrangements in place to inform efficiencies when dealing with individual cases, for example, temporary accommodation, as well as informing greater value for money by using Council commissioned arrangements and alternative, longer term support solutions.

Developing some guidance for practitioners to give clarity over the financial assistance that can be provided under Section 17 spend, increasing management oversight to ensure that the spend across teams remains reasonable whilst also using the data available to identify and follow-up trends will help ensure financial assistance is used in the best way to safeguard and promote the welfare of children. Improving the understanding of the Section 17 spend through analysis of the data available would allow Management to gain a better understanding of the spend profile and allow improved targeting of the available resource.