



Report of the Director of Social Services

Governance & Audit Committee – 25 October 2023

Social Services Directorate: Internal Control Environment 2023/24

Purpose:	The report presents the annual review of the (Directorate) control environment, including risk management, in place to ensure functions are exercised effectively; there is economic, efficient and effective use of resources, and; effective governance to secure these arrangements.
Report Author:	David Howes
Finance Officer:	Chris Davies
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar
For Information	

1. Background

- 1.1 The Social Services Directorate continues to be responsible for either delivering or commissioning care and support for adults, children and families across Swansea. As such, the Directorate is the main vehicle through which the Council meets its responsibilities under the Social Services and Well Being Act and the All-Wales Safeguarding Procedures. The Social Services and Wellbeing Act complements the Future Generations Act in requiring a refocus on wellbeing, prevention and early help. Consequently, in recent years the Directorate has assumed responsibility for the direct delivery of the bulk of the Council's prevention and tackling poverty services. The Directorate is also responsible for Youth Offending Services and hosts the West Glamorgan Health & Social Care partnership.

- 1.2 The Social Services Directorate continues to have the highest gross and net spend within the Council (excluding schools) and are the highest income generator. As a consequence the bulk of the Council's required savings within the medium-term financial plan continue to be delivered by the Directorate. The services delivered within the Directorate are the most regulated and have the highest number of statutory performance indicators. Given the nature of those services, the Directorate manages the highest levels of risk as business as usual activity. It continues to take lead responsibility for two of the Council's corporate priorities – safeguarding and tackling poverty.
- 1.3 In order to continue to manage and safely deliver against all of the above, the internal control environment within the Directorate continues to need to be highly sophisticated and particularly effective.

2. Risk Management and business continuity

- 2.1 The work of the social services department is dominated by the effective management of risk through its work in managing child protection and adult safeguarding.
- 2.2 Service delivery post covid has recovered strongly. However the social care sector remains fragile in a context of an extremely challenged health system, exacerbated by the continued cost of living crisis. This means that the Directorate effectively has to operate a state of business continuity.
- 2.3 Given all of the ongoing challenges post covid, including significant workforce challenges, our continued resilience to managing the most challenging of circumstances remains remarkably strong.
- 2.4 We continue to have to focus Corporate and Directorate risks on the most critical areas of system wide concern. Therefore the Corporate risk register has continued to be used to capture the highest-level risks and issues i.e. those that are most pressing at any given time and particularly to provide transparency about risks that cannot be wholly mitigated.
- 2.5 Some risks continue to feature permanently on the risk register. The most obvious example is the risk for safeguarding. However control measures continue to be reviewed and updated to reflect the changing context and new challenges including any immediate areas of increased risk. We remain as confident as we can be that the Council will continue to exercise its functions effectively.
- 2.6 Risks that are captured on the corporate risk register continue to be managed by individual risk owners across the Directorate and then monitored at the monthly Directorate P&FM. The risks on a page (see appendix) are shared with the responsible Cabinet Members on a monthly basis. The P&FM meeting makes the decision about whether

Directorate risks should be escalated to CMT for consideration as to whether they should become a corporate risk. As an example, the risk associated with WCCIS (the Directorate's main information record system to record the care and support needs of individuals) has been escalated to a corporate risk, subsequently de-escalated, then removed from the risk register and will now re-appear but for different reasons than previously. Individual risk owners continue to be encouraged to strengthen the recording of control measures to better describe the range of actions we are taking to at least mitigate whole system fragility. This was previously flagged as an area for improvement.

- 2.7 It remains the case that the Directorate's capacity and resilience to managing risk and business continuity continues to be tested to a degree that would have been considered inconceivable pre-covid. Therefore the fact that arrangements continue to stand up well continues to provide considerable assurance.

3. Performance Management / KPIs

- 3.1 Adults, children's, tackling poverty services and YOS continue to have a substantial suite of KPIs that reflect statutory requirements, grant award conditions and the corporate performance report. Changes to nationally reported KPIs particularly across adults and childrens services have been embedded within the Directorate's performance reporting mechanisms and we are now beginning to generate trend data.
- 3.2 All four services continue to have an extensive individual performance report that is produced on a monthly basis. Those reports feed the monthly Directorate P&FM and are provided to the responsible Cabinet Members. The reports for adults and children services are received by CMT on a quarterly basis. The YOS report is received by the YOS Management Board (a statutory multi agency board) on a quarterly basis. The childrens and adults reports are taken to dedicated scrutiny performance panels on a quarterly basis. Selective information is extracted from these reports to inform the Councils overall quarterly performance report against the corporate plan. Care Inspectorate Wales are provided with the reports on a quarterly basis. Safeguarding information is pulled from the reports and provided quarterly to the regional safeguarding board. Welsh Government are provided end of year information from these reports to meet the Council's statutory reporting requirements. Information from the reports is extracted to inform regional planning priorities across health and care through the regional partnership board. The Director uses the end of year information to inform his Statutory Report to Council on an annual basis.
- 3.3 Live and contemporary performance information continues to be used by frontline teams across the Directorate to inform service delivery and

practice on a day-to-day basis. Swansea's use of performance data to inform and improve day to day practice across social care, to support both service planning and improvement and transformation continues to be recognised as sector leading.

- 3.4 The new WCCIS risk is linked to a recently published business plan by Digital Health Wales to move away from a single performance information system across Wales. At this stage the Council does not understand whether these changes may impact negatively on the ability of the Council to effectively performance manage its service delivery. Local/ regional due diligence of that new national plan is underway.
- 3.5 The Director of Social Services continues to take a lead in supporting the Council's cross cutting approach to corporate safeguarding. The work of the corporate safeguarding group jointly chaired by the Director and responsible Cabinet Member reports on an annual basis to Scrutiny. The cross-Council work plan overseen by the board incorporates any recommendations from internal or external scrutiny or audit activity. One of the key priorities of that board was in relation to improved corporate reporting of things like mandatory training compliance. The performance reporting capability of oracle fusion is at an early stage, but it does appear that the expected benefit of improved corporate reporting will be realised over the next 6 months.
- 3.6 The fact that performance management arrangements in the Directorate are considered sector leading, the high levels of internal and external scrutiny and processes in place that ensure performance and management drives strategic and operational improvement continues to indicate a very high level of assurance in this area.

4. Planning and Decision Making

- 4.1 Planning for the effective delivery of social care continues to be inextricably linked with the planning of the effective delivery of health care. This has been recognised by Welsh Government and prompted the establishment of regional partnership boards. The West Glamorgan Regional Partnership Board provides the infrastructure through which the high-level planning priorities across health and social care are determined. However the statutory partners retain sovereign responsibility. The Director of Social Services advises the Cabinet Members, Cabinet and Council on the exercise of its statutory duties and ultimately Cabinet signs off on local delivery against both the regional priorities and local service delivery.
- 4.2 Each service within the Directorate has updated annual transformation/ improvement plans (service plans) which set out the steps that will be taken to deliver against agreed priorities including recovery from Covid and any new and emerging issues for example the impact of the cost of living crisis. These plans are informed by all of the above and new

Council policies, new statutory requirements, the latest performance information, any savings requirements set out within the Council's medium term financial plan and recommendations from internal or external audit (in particular the Care Inspectorate for Wales).

- 4.3 The infrastructure at both a regional and local level to ensure effective and coherent planning and decision making has now wholly reverted back to a focus on longer term transformation. Overall these arrangements continue to work well and again provide considerable assurance.

5. Budget and Resources Management

- 5.1 The Directorate continues to be supported by a dedicated finance partner who is part of the corporate finance team.
- 5.2 The finance partner works an integral part of the Directorate's budget, finance, planning and commissioning hub. The finance partner provides independent scrutiny and challenge of the Directorates financial plans, including direct advice to the statutory Director and the Council's S151 officer.
- 5.3 The planning and commissioning hub incorporates representation from the corporate procurement team to ensure that the Council's arrangements to commission tens of millions of pounds of care and other services from the independent and third sector is done so in a way that both supports good outcomes and is cost effective. The planning and commissioning hub also continues to provide support to Education and Housing colleagues to promote a peoples approach to commissioning and procurement of cross cutting services. This cross Directorate and increasingly cross Council approach is realising the hoped for additional benefits of added value for the recipients of commissioned services and best value for the Council.
- 5.4 The commissioning hub continues to manage applications for tens of millions of pounds worth of additional grant income and ensures ongoing compliance with grant conditions. The hub is increasingly having to focus on mitigating the potential negative consequences of reduced levels of funding across public services.
- 5.5 The Director continues to chair a monthly meeting of the commissioning hub to ensure cross Directorate and cross Council collaboration.
- 5.6 Charging of organisations that use Council care services, including making sure full cost recovery is applied, is managed by the budget officers within the commissioning hub. However, the financial assessment and charging of Swansea residents for their care and support is managed by the corporate finance and charging team.

- 5.7 The Director also continues to chair a monthly finance and charging meeting, involving Directorate and Corporate finance colleagues, to ensure effective cross Council charging, income generation and debt recovery is maintained.
- 5.8 Overall financial oversight of the Directorate's fiscal position and delivery against the medium-term financial plan takes place in the monthly P&FM and any issues are escalated to CMT and the S.151 officer. The Cabinet members receive a monthly finance report. The s151 officer's quarterly outturn report is informed by the Directorate's finance report.
- 5.9 Analysis of demand, costs of new statutory requirements or policy commitments, delivery against savings targets, inflationary pressures, and new income opportunities are all routinely monitored through the above arrangements and then provided to CMT and Cabinet to inform the annual budget setting process.
- 5.10 For the fifth year in a row, despite having the largest savings targets in the Council, the Directorate has been particularly successful in achieving a balanced budget. The Directorate's proven effectiveness in managing demand led budgets and delivering against challenging savings targets provides strong assurance. However in-year financial challenges and the potential for a significant drop in public services funding looking forward does present considerable financial risk in the context extreme inflationary pressures.

6. Fraud and Financial Impropriety

- 6.1 The Directorate's systems of internal controls have been designed in accordance with the accounting instructions. Compliance is monitored through regular internal audits of the establishments and functions. Suspicions of impropriety are referred to internal audit and Human Resources.

7. Compliance with Policies, Rules and Regulatory Requirements

- 7.1 The functions of the Social Services Department are highly regulated and subject to high levels of internal and external scrutiny and audit consistent. The main regulator is the Care Inspectorate of Wales (CIW) which inspects both at a local authority level and each individual regulated service e.g. individual care homes or domiciliary care service. This high level of external scrutiny complements our internal quality assurance frameworks and the oversight of two dedicated scrutiny panels. Any recommendations for improvement whether externally or internally generated are incorporated into annual service and improvement plans. Throughout this period a number of inspections of regulated services have taken place. Feedback has been overwhelmingly positive and where actions for improvement have been proposed, these have been actioned and reported through the Council's scrutiny, audit and governance arrangements.

- 7.2 CIW's annual assurance meeting activity has continued. The inspectorate remains satisfied that the local authority's arrangements remain strong and effective.

8. Programme and Project Assurance

- 8.1 The overarching transformation of health and social care programmes are facilitated through the infrastructure of the regional partnership board. There is a dedicated regional transformation team hosted by Swansea Council which facilitates the monitoring and delivery of that programme. Plans and projects are monitored by three transformation boards chaired at Director level and ultimately report to the partnership board with senior representation of the statutory partners.
- 8.2 A robust and consistent project management methodology is adopted at both a regional, local, directorate and service level with dedicated specialist resources allocated to ensure project initiation, delivery against intended outcomes, risk management and transition to business as usual is properly managed.

9. Internal Controls

- 9.1 All officers have clear roles and responsibilities. Authorisation processes whether Oracle, HR or financial are clear and in place. Annual review of authorisation levels are carried out. Spending restrictions are in place with appropriate escalation up to HOS and Director level as appropriate. Risk assessments are in place for buildings and services.
- 9.2 The resilience of both internal control arrangements and the Directorate's workforce continue to be severely tested. The ability to flex resource and safely respond to priorities that could change on a weekly, sometimes daily, basis indicates strong assurance.

10. Data Security

- 10.1 The Directorate manages high levels of personal information for citizens and statutory requirements and are such that this information must routinely be used to inform reports, assessments and plans that must be shared in writing with users of our services.
- 10.2 The combination of these two factors means that the risk of an inadvertent data breach is high, and the consequences are always serious.
- 10.3 The processes for monitoring and reporting breaches are well established across the Directorate, as are the processes for learning from any such a breach.

10.4 Improved compliance with mandatory training on data security continue to be monitored at P&FM, as are the details of any breaches or near misses.

10.5 The number of breaches that have taken place have reduced significantly.

11. Partnership / collaboration governance

11.1 The main partnership in which the Directorate is a key partner is the Regional Partnership Board as referred to previously. The governance arrangements for this board are set out in statute. The region and the Council comply with the required governance requirements in full.

11.2 All recommendations of the Regional Partnership Board must be taken through the individual organisations governance mechanisms for final endorsement. Cabinet is the ultimate decision-making body for the Council.

11.3 Partnership arrangements are considered strong in this region.

12. Integrated Assessment Implications

12.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

12.1.1 The Well-being of Future Generations (Wales) Act 2005 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

12.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

12.2 There is no direct impact associated with this report on the relevant groups considered within the IIA itself; but assessing long-term trends and preventing risks from becoming issues are key aspects of risk management. Sustainable ways of working are incorporated within the Council's risk management policy and framework.

13. Legal Implications

13.1 There are no legal implications.

14. Financial Implications

14.1 There are no financial implications directly arising from the consideration of this report.

Background papers: None

Appendices:

Appendix A	(Directorate) Corporate and Directorate Risks on a page Report
Appendix B	(Directorate) Assurance Map updated
Appendix C	IIA Form