



Report of the Director of Social Services

Governance & Audit Committee – 9 November 2021

(Directorate): Internal Control Environment 2021/22

Purpose:	The report presents 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.
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1. Background

- 1.1 The social services directorate is 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 net result of all of the above is that the Social Services Directorate has the highest gross and net spend within the Council. It delivers the bulk of the Council's required savings within the medium term financial plan. It is the highest income generator. It is the most regulated area

with the highest number of statutory performance indicators. It manages the highest levels of risk as business as usual activity. It takes lead responsibility for two of the Council's corporate priorities – safeguarding and tackling poverty.

- 1.3 In order to manage and safely deliver against all of the above, the internal control environment within the Directorate has to be highly sophisticated and particularly effective.

2. Risk Management and business continuity

- 2.1 It is worth acknowledging that the bread and butter work of a social services department is dominated by the effective management of risk through its work in managing children protection and adult safeguarding.
- 2.2 It could also be argued that given the widely acknowledged fragility of the social care sector across the UK even prior to the pandemic that the Directorate operates a permanent state of business continuity.
- 2.3 Never has that been more true than during the past 18 months when Covid has tested the resilience of health and care systems beyond anything that anyone had envisaged. Despite the dreadful impact on our population and the extreme stress caused for our staff both in the Council and the wider sector, our capacity and resilience to managing catastrophic circumstances and ever changing and escalating levels of risk stood up remarkably well.
- 2.4 One of the lessons from Covid was that at a Corporate and Directorate level, the risks that we were and are managing needed to be refocussed on the most critical areas of concern. By way of illustration, it makes no sense to be focussed on the potential failure of a single care home when what we were facing was the potential complete collapse of the residential care market. There was also useful learning for the effective use of the risk register to focus on risks that either could not be fully mitigated or where mitigation was unlikely to have an impact in the short term. Again by way of illustration, during Covid, emergency actions often needed to be implemented same day or certainly within a week to avoid arrangements breaking down completely. Documenting all those risks and mitigations within the corporate risk register would have been an exercise in futility and the time wasted would have undermined actually getting on with the job in hand. However, all of those risks and agreed actions both locally and regionally were all captured and documented as part of the regional health and care Gold and Silver emergency planning infrastructure. The Corporate risk register has continued to be used to capture the highest level risks, 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 will feature permanently on the risk register. The most obvious example is the risk for safeguarding. The consequences of a failure of the Council to meet its safeguarding responsibilities are dire both for the individual and the Council as a whole. However, the control measures that are in place as business as usual including the additional controls put in place to reflect the impact of Covid leave us as confident as we can be that the Council will continue to exercise its functions effectively but there is never room for complacency.
- 2.6 The overall risk relating to the impact of Covid has for the time being subsumed other risks relating to capacity to provide care, excessive demand etc. That ongoing impact of Covid remains the single biggest risk to business continuity across health and care despite that we have moved to alert level zero in terms of national planning. Indeed such are the current pressures on particularly domiciliary care, the emergency regional Silver and Gold planning infrastructure has been stepped back up since July 2021.
- 2.7 Risks that are captured on the corporate risk register are 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.
- 2.8 Given that the Directorate's capacity and resilience to managing risk and business continuity has been tested to a degree that would have been considered inconceivable 18 months ago, the fact that arrangements have stood up well provides considerable assurance.

3. Performance management / KPIs

- 3.1 Adults, childrens, tackling poverty services and YOS all have a substantial and well-established list of KPIs that reflect statutory requirements, grant award conditions, the corporate performance report and most importantly the requirements to both effectively deliver and make improvements in the most crucial services that the Council provides for its most vulnerable residents.
- 3.2 All four services 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 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.

- 3.4 More importantly than all of the above, live and contemporary performance information is 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 practice across social care, to support both service planning and improvement and transformation is widely recognised as sector leading.
- 3.5 We should acknowledge that Swansea is in the process of implementing the All Wales Community Care Information System. This has and will continue to cause some short term disruption to all of the above arrangements but the end goal of a single system across health and social care in Wales is worth some short term pain.
- 3.6 The Director of Social Services also takes 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. There is a recognised need to improve some of the Council's corporate reporting capability and capacity. It is anticipated that the implementation of oracle fusion will address some of the current limitations.
- 3.7 Notwithstanding the current work to implement WCCIS, 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 indicates a very high level of assurance in this area.

4. Planning and decision making.

- 4.1 Planning for the effective delivery of social care is 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 an annual transformation/ improvement plan (service plan) which sets out the steps that will be taken to deliver against agreed priorities. 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).
- 4.2 Over the past 18 months, the infrastructure at both a regional and local level to ensure effective and coherent planning and decision making in the most extreme circumstances continued to work particularly well and again provides considerable assurance.

5. Budget and resources management

- 5.1 The Directorate is supported by a dedicated finance partner who is part of the corporate finance team.
- 5.2 The finance partner works closely with the Directorate's budget officers who themselves sit within a wider planning and commissioning hub. The finance partner provides independent scrutiny and challenge of the Directorate's financial plans, including direct advice to the statutory Director and the Council's S151 officer.
- 5.3 The planning and commissioning hub work closely with the corporate procurement team to ensure that our 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 works closely with education and housing colleagues to promote a people's approach to commissioning and procurement of cross cutting services and support.
- 5.3 The commissioning hub also manages applications for tens of millions of pounds worth of additional grant income and ensures ongoing compliance with grant conditions.
- 5.4 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.

- 5.5 The Director chairs a monthly meeting of the commissioning hub to ensure cross Directorate and cross Council collaboration.
- 5.6 The Director also chairs a monthly finance and charging meeting to ensure effective cross Council charging and income generation is maintained.
- 5.7 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 officers quarterly outturn report is informed by the Directorate's finance report.
- 5.8 Analysis of demand, costs of new statutory requirements or policy commitments, delivery against savings targets, inflationary pressures, 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.
- 5.9 In recent years, despite having the largest savings targets in the Council, the Directorate has been particularly successful in achieving a balanced budget. Whilst it remains widely accepted that the overall funding model for social care is not fit for purpose, the Directorate's proven effectiveness in managing demand led budgets and delivering against challenging savings targets provides strong assurance.

6. Fraud and financial impropriety

- 6.1 The Directorates 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.
- 6.2 These internal control measures have been shown to be effective on a couple of occasions in recent years as they have led to the initiation of formal investigations which themselves have prompted improvements to Directorate and Corporate systems.

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.

- 7.2 CIW has recently undertaken an assurance visit reviewing the local authority's compliance with meeting its statutory responsibilities during the pandemic. CIW concluded that the authority's arrangements remained strong and effective throughout this extremely challenging period. Reassuringly, any areas for improvement had already been identified by the Directorate and included in existing service improvement plans.

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 Overall progress with Swansea elements of that programme is monitored via Swansea's cross cutting Council transformation and recovery board and specific elements linked to service improvement captured and monitored in individual service plans..
- 8.3 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.
- 8.4 Regional and local investment in project management capacity has demonstrably paid off and proved particularly valuable in supporting rapid change to health and care services to mitigate the extreme impacts of the pandemic.

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 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 Directorates workforce have been severely tested in recent times. 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 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 are 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 Arrangements to improve compliance with mandatory training on data security are in place and being 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 as a result of the above activity.

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 complies 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 ultimately decision making body for the Council.
- 11.3 Pre-pandemic, partnership arrangements were considered particularly strong in this region. If anything, the pandemic has strengthened those arrangements further with the statutory partners and other stakeholders even more committed to shared objectives and the delivery of transformed services at pace.

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.

Background papers: *None*

Appendices:

Appendix A (Directorate) Corporate and Directorate Risks on a page Report

Appendix B (Directorate) Assurance Map updated