

AUDIT REPORT 24'012

CHILDREN'S SERVICES COMMISSIONING

Executive Summary

The Internal Audit Plan for 2023/24 provided for a review of the arrangements for commissioning children's social care services to ensure they are designed and delivered to meet the specified needs and demonstrate best value principles. With the recent transition of Children's Services to become part of the Moray Integrated Joint Board Scheme of Integration, this work complements the audit review undertaken by KPMG Governance, Risk & Compliance Services of adult social care commissioning.

The audit scope was to review and assess the commissioning of social care services for children. Services delivered included contracts for preventative, support and restorative services, residential care, and out of area residential placements required due to the limited provision of specialised care and capacity within Moray. Testing involved a review of the strategy and procedures relating to children's services commissioning, checking financial monitoring arrangements and an assessment of the effectiveness of contract management and monitoring practices. It was noted that the annual budget for commissioning these children's social care services utilising national framework and local contract arrangements totals £7.4 million, of which £4.3 million relates to out of area placements.

The review covered systems and practices for 2023/24, but reference is made to prior years if required as part of the audit review. Overall, the audit found within the parameters of the audit scope that the delivery and management of children's social care commissioning services is well managed.

The audit was carried out in accordance with Public Sector Internal Audit Standards (PSIAS).

The areas identified for management attention are:-

- The Scottish Government Commissioning Plans Guidance requires each local authority to produce a Strategic Commissioning Plan. The Service has recognised this requirement, and a Commissioning and Procurement Plan is currently under development as part of the Strategic Delivery Plan to support the Moray Partners in Care Strategy. The implementation of a Commissioning and Procurement Plan should be progressed and agreed in accordance with the timescale detailed by the Service.
- It is pleasing to report that revised commissioning procedures were agreed in May 2023. These procedures included a requirement for contracts with providers to detail a condition for the supply of regular performance information on the care delivered. This allows the service to effectively monitor the delivery of care is in accordance with the contract's objectives. However, before these procedures were agreed, contracts with care providers did not include a requisite to provide comprehensive performance information. For these contracts, the Service encourages the provision of performance information

from care providers; this proactive approach should continue. Once contracts become due for renewal, the requirement for providing comprehensive performance information should be included within the conditions of the contract.

- The review found that payments had been made by Children's Services to care providers before the commissioned services were fully delivered. Audit testing noted from the sample checked, advance payments of up to 31 days. Advance payments are not in accordance with the contracted terms agreed with care providers, as monthly payments for a service should be made in arrears. In addition, the Council's Financial Regulations do not allow advance payment for the delivery of goods or services unless authorised by the Head of Financial Services.

The Internal Audit Section provides Management with an opinion on the internal control environment and also categories risk ratings for recommendations as high, medium or low. The audit recommendations for this review have been classified as follows:

Risk Ratings for Recommendations		
High	Medium	Low
Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Less critically important controls absent, not being operated as designed or could be improved.	Lower level controls absent, not being operated as designed or could be improved.
0	3	0

Recommendations

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
Key Control: A clear Strategy and Procedures have been developed for Children's Services Commissioning and are regularly reviewed.						
5.01	The development and agreement of a Commissioning and Procurement Plan should be progressed and agreed in accordance with the timescale detailed within the Health & Social Care Moray Strategic Delivery Plan.	Medium	Yes	The Commissioning and Procurement Plan is being developed but requires significant analysis of future care commissioning requirements. The Children's and Families Commissioning team will support the process.	Chief Social Work Officer / Head of Service	31/12/2025
Key Control: Commissioned services are identifiable, subject to appropriate contractual arrangements and managed and monitored to ensure service delivery meets the intended outcomes.						
5.02	All contractual arrangements should be aligned with the new Commissioning Procedures at the earliest	Medium	Yes	All new contracts will comply with the new	Senior Commissioning Officer	31/10/2024

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
	opportunity to ensure consistency in the management and monitoring of performance information.			Procedures. Ongoing discussions with care providers regarding inherited contracts to provide similar performance information.		
5.03	In accordance with established contractual arrangements, payments should not be made in advance of service delivery.	Medium	Yes	Reiteration of the Terms & Conditions of the contracts & financial regulations to wider Social Work teams and the providers through email communication and discussion at Policy Procedure & Commissioning	Senior Commissioning Officer	31/12/2023

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.		Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
				Meeting on 20/11/2023.		