

# Report

## Governance and Audit Committee

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### Part 1

Date: 25 January 2024

### **Subject** Safeguarding of Childrens Monies

**Purpose** To present an update on the audit of Childrens Monies based on the unsatisfactory audit of this area in 2021 including updates on ongoing recommendations / actions.

**Author** Service Manager Operation and Team Leader Business Support.

**Summary** The Governance and Audit Committee are required under its terms of reference to receive and consider audit reports from the councils' internal auditors and to make recommendations and, where necessary, monitor implementation and compliance with agreed action plans.

Their councils internal auditing department are responsible for providing assurance that the Council is fulfilling its statutory duties and providing value to the public. This report covers the audit reports completed in 2021 and includes a summary of the Council's response (where applicable) and any additional actions which the Council is undertaking to respond to the recommendations.

The report also includes an update with any actions in progress from the previous report to Governance and Audit Committee.

**Proposal** The Governance and Audit Committee is asked to consider the contents of this report of the regulatory activity completed and where recommendations have been raised the Council is taking necessary action.

**Action by** The Head of Children and Young People Services and Service Manager for Operations

**Timetable** Immediate

This report was prepared after consultation with:

- Audit Team
- Senior Managers
- Business Support Team

**Signed**

## Background

An Audit was undertaken of the Safeguarding of Childrens Money in 2021. The objective of the audit was to review and evaluate the financial and administrative controls in place regarding monies held and administered by Newport City Council (NCC) on behalf of Children Looked After and Young People.

The Audit considered if –

- Appropriate financial policies and procedures are in place regards monies held on behalf of children looked after and young people.
- Monies held on behalf of children looked after and young people in relation to Criminal Injuries Compensation Payments and Duty of Care Settlements and Junior Individual Savings Accounts (JISAs) are held securely and managed in line with the Social Services and Wellbeing (Wales) Act 2014

The outcome of the Audit was Unsatisfactory.

In response to the outcome of the Audit, the focus of work in Children and Young People Services has concentrated on strengthening the process and practices to ensure that the service area is transparent and accountable and has the necessary mechanisms in place to prevent any child or young person known to the local authority not being able to access their monies or be aware of their rights and entitlements in relation to JISAs, CICA or Duty of Care Settlements.

It was agreed that a Business Support Officer post would need to be created within the existing Business Support Team to support the administrative requirements around JISAs, CICA Payments and Duty of Care Settlements.

## Financial Summary (Capital and Revenue)

- The costs and financial implications:

There are no direct costs associated with this report. However, if Newport's children and young people were not able to receive monies they were entitled to, the Local Authority could be at risk of legal challenge which could result in charges made against the local authority and risks to the authorities reputation.

## Risks

If the action plan recommendations and management actions were not undertaken, there is a risk that the Children and Young People of Newport Council would not receive monies due to them under their rights and entitlements.

If management actions are not taken to improve the control environment and increase service delivery resilience, service users may not receive an efficient and effective service, the number of complaints may increase and could lead to reputational damage.

<b>Risk Title / Description</b>	<b>Risk Impact score of Risk if it occurs* (H/M/L)</b>	<b>Risk Probability of risk occurring (H/M/L)</b>	<b>Risk Mitigation Action(s)</b> What is the Council doing or what has it done to avoid the risk or reduce its effect?	<b>Risk Owner</b> Officer(s) responsible for dealing with the risk?
Poor internal controls could impact on effective and efficient service	M	M	The Strategic Director has agreed a way forward to support service delivery. Internal Audit will undertake a further follow up audit (#3) to verify that agreed action has	Strategic Director – Social Services

delivery, increase in complaints from service users and negative impact on reputation.			been taken to improve service delivery.	
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\* Taking account of proposed mitigation measures

### **Links to Council Policies and Priorities**

Corporate Plan 2022-27

Financial Policy 2023

### **Options Available and considered.**

1. To consider the contents of this report and to make any comments on the progress made in response to recommendations raised by the audit.
2. To request further information or reject the contents of this report.

### **Preferred Option and Why**

1. Option 1 is the preferred option with the Audit committee to consider the contents of this report and progress made by service areas.

### **Comments of Chief Financial Officer**

This report is the result of the processes which the Council's Internal Audit follows where follow up audits are made following unsatisfactory/unsound audit findings. It is being reported again to the Governance and Audit Committee because of on-going unsatisfactory audit conclusions. The Committee need to review the situation and decide if they wish to escalate this to the Council's Chief Executive or not.

Clearly, the lack of progress in making improvements in this area over a time span of well over 3 years is very concerning though the Covid pandemic is a key consideration. In saying that, this is one of the core aspects of the function of Children's Services and which involves significant financial resources. Robust implementation of the action plan is therefore a key requirement in going forward and which the Committee needs to assure itself will be achieved.

### **Comments of Monitoring Officer**

There are no specific legal issues arising from the report. As part of its role in monitoring the effectiveness of the Council's systems of internal control and financial management, Governance & Audit Committee oversee the implementation and outcomes of the internal audit programme and, where necessary, can review and make recommendations regarding unsatisfactory audit reports. The Committee can seek assurances on the adequacy of responses to internal audit advice, findings and recommendations and will monitor implementation and compliance with agreed action plans. In this case, there have been consecutive unsatisfactory audits in relation to the administration of Children's money and the relevant Head of Service and Strategic Director have been invited to attend the meeting to explain the situation and outline the management action that will be taken to address the issues concerned. If the Governance & Audit Committee are not satisfied with the management responses and there are considered to be residual risks in terms of Children's money processes, then the Committee can escalate those concerns through the Chief Executive and the Executive Board. As these unsatisfactory audit reports relate to operational management issues, then it is not considered appropriate for any concerns to be escalated through the Cabinet or Cabinet Member as they do not involve strategic policy issues.

## **Comments of Head of People, Policy and Transformation**

As part of the Well-being of Future Generations Act (2015) and its corporate governance arrangements it is necessary to ensure that the Council's functions are operating effectively and efficiently to manage its governance, internal control, and risk management arrangements in the delivery of the Corporate Plan and its statutory duties. This report presents a revised approach and associated plan for managing Childrens monies and the completion of the audit action plan.

The action plan provided outlines progress to from previous audit reporting. These mitigations, if effectively implemented, will provide improvements in resilience and governance in readiness for the next audit report.

Actions provided are in line with the principles of the Well-being of Future Generations Act (2015). No FEIA is required for this report.

### **Local issues**

None.

### **Scrutiny Committees**

Not applicable as this report will be presented to the Council's Governance and Audit Committee. However, Scrutiny Committees have oversight of service area progress through service plans.

### **Fairness and Equality Impact Assessment:**

Actions provided are in line with the principles of the Well-being of Future Generations Act (2015). No FEIA is required for this report.

- **Wellbeing of Future Generation (Wales) Act**

The regulatory activity completed by the internal audit team consider the Wellbeing of Future Generations Act in its findings and recommendations for the Council. The Council's response also considers the five ways of working (Long term, Collaboration, Preventative, Involvement, Integration) to deliver improvement.

- **Equality Act 2010**

- The regulatory activity completed by auditing consider the Equalities Act in any recommendations to the Council.

- **Socio-economic Duty**

Not applicable as this is an information only report to the Governance and Audit Committee.

- **Welsh Language (Wales) Measure 2011**

All report published are available in Welsh and English.

### **Consultation**

The report has been shared with Directors, Cabinet Member and relevant team members around any changes that impact on service users or staff members.

### **Background Papers**

#### **Summary update**

Since the last audit committee report was submitted:-

- The new implementation model has now been embedded into the services process and practice.
- The Children's Services Children Looked After Financial Policy and its necessary flow chart processes being are now in place. All the relevant teams are expected to refer to this to provide the necessary guidance and systems to follow.
- The appointment of a permanent Senior Business Support role which oversees the process around criminal compensation awards/duty of care settlements and JISAs for children and young people.
- Implementation of an overarching spreadsheet now in place recording all children and young people who are eligible for criminal compensation awards and duty of care settlements and a separate overarching spreadsheet for unclaimed CLA Junior ISA accounts. A detailed process is now undertaken by the business support role to obtain the current CICA & Duty of Care Settlements information from NCC Insurance Department and email updates are regularly requested on each case from the allocated worker. The Childrens Services spreadsheet recording systems captures current/existing or new cases and these are correlated against the WCCIS system recordings and all the relevant financial documentation relating to the child/young person are now stored appropriately and accessible should the child/young person require their information.
- The department has also contacted all relevant parties i.e. case holders, Team Managers, Independent Reviewing Officers, to ensure that CYP are aware that they have these settlements.
- We have reviewed the Children Looked After process and CYP's rights and entitlements and these are now routinely discussed at the CYP looked after review, with specific focus at 16 in their Pathway Plan (under rights and entitlements).
- In relation to the ISA's, a spreadsheet is now in place which reports on all unclaimed Junior ISAs, and these are routinely updated to meet audit requirements and evidence those CYP who have accessed and claimed their JISA accounts.
- We are continuing to work through the list of unclaimed JISAs informing case workers of JISA accounts held by their CYP and those due to be claimed by their CYP and case workers are now ensuring that CYP know how to take on responsibility for their JISA funds via Sharefound and encourage them to do so.
- Sharefound currently provide valuation reports on a quarterly basis. However, the reports can take several months to reflect when a CYP has claimed their funds and so tracking progress is also part of the grade 5 role to monitor this routinely, despite being heavily reliant on the carers and young people to complete the action that they need to undertake (which the council are not responsible for).



UPDATED AUDIT  
ACTION PLAN REVIEW

Dated:17 January 2024

## SUMMARY OF WEAKNESSES

The tables below summarise the individual weaknesses identified during the review.

Ref.	CRITICAL
2.02	The record keeping for Young People with a Criminal Injuries Compensation Authority (CICA) payment was poor. There was no central coordination or record available and the only record available from Finance was not complete. The record did not allow for the Young Person to be easily identified, the amount of the original award, when they were due to receive payment or if payment had already been made.
2.03	There was no evidence available to confirm that an interim Criminal Injury Compensation Authority award (£110k) due to a Young Person had been received.
3.01	The Council was still administering 203 Junior ISA's totalling £80,270 for Young People who were no longer under local authority care or had turned 18 years of age. Young People had not been paid money they were entitled to.
4.01	Records suggest that Young People who were older than 18 years of age had outstanding financial Duty of Care Settlements due to them where an employee of Newport City Council was the Litigation Friend. We could not confirm that Young People had been paid money they were entitled to.

Ref.	SIGNIFICANT
1.01	<p>Whilst a draft 'Policy for savings for Children Looked After' was provided (dated April 2021), the Council did not have a sufficient financial policy which:</p> <ul style="list-style-type: none"> <li>• Set out what entitlements Young People have including details about a leaving care maintenance allowance.</li> <li>• Is clear about the treatment of Young People's own funds, whether these come from employment, inheritance, Criminal Injuries Compensation Authority awards, or other sources.</li> <li>• Was not formally reviewed on an annual basis.</li> <li>• Was not in a form easily understood by Young People who were involved in developing a 'user friendly version'.</li> <li>• Was not available on the Council's website or provided to all looked after children and care leavers.</li> <li>• Sets out clear priorities to support Young People to achieve their wellbeing outcomes.</li> </ul>
2.04	Supporting source documentation was not available for those Young People with a Criminal Injuries Compensation Authority (CICA) award confirming the original amounts allocated were correct.
3.02	The record keeping for Young People who had a Junior ISA managed by the Council was poor. There was no complete list of names, reference numbers and dates of birth of those Young People available. Significant discrepancies were identified between Council records and those of the Share Foundation.
3.03	There was no documentation available to confirm that Young People (or the Pathway Team) were being made aware of the existence of a Junior ISA or other forms of compensation they were awarded / entitled to. There was no evidence to support that

<b>Ref.</b>	<b>SIGNIFICANT</b>
	assistance had been provided to allow the Young Person to seek independent financial advice prior to their 18 <sup>th</sup> birthday.
4.02	Children's Services did not hold any central records of Young People who had received Duty of Care Settlements where Newport City Council was acting as the Litigation Friend. There were no detailed file notes added to the Young Person's WCCIS record to confirm a settlement / outstanding settlement along with details of the award.

<b>Ref.</b>	<b>MODERATE</b>
1.02	The Authority's Corporate Parenting Strategy was out of date and required review.
2.05	There was no documented internal procedure in how to administer and monitor a Criminal Injury Compensation Authority (CICA) claim and any subsequent award.
3.04	File notes were not held on the Young Person's WCCIS record detailing that a Junior ISA was being administered on their behalf.

**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

<b>Ref.</b>	<b>Control Objective 1: The Council has appropriate financial policies and procedures in place with regards to all monies held on the behalf of Looked After Children and Young People. Policies are in line with statutory guidance, reviewed annually, easily accessible and have been approved by the relevant Cabinet Member.</b>
	<p><b>Strengths:</b> No strengths were identified for this control objective.</p>

Ref.	Weakness & Risk	Audit Comment	Agreed Management Action	By Who	By When
1.01	<p>Whilst a draft 'Policy for savings for Children Looked After' was provided (dated April 2021), the Council did not have a sufficient financial policy which;</p> <ul style="list-style-type: none"> <li>Set out what entitlements Young People have including details about a leaving care maintenance allowance.</li> <li>Is clear about the treatment of Young People's own funds, whether these come from employment, inheritance, Criminal Injuries Compensation Authority awards, or other sources.</li> <li>Was not formally reviewed on an annual basis.</li> <li>Was in a form easily understood by Young People who were involved in developing a 'user friendly version'.</li> <li>Was not available on the Council's website or provided to all looked after children and care leavers.</li> </ul>	<p>The audit review sought to establish what policies and procedures were in place to support Young People and ensure they provided guidance on how to deal with their money.</p> <p>The Social Services and Well-being (Wales) Act 2014 contains a number of requirements for local authorities to maintain a clear and transparent financial policy. It was found that at the time of the audit review, there was no policy in place which met the requirements of the Act.</p> <p>Although a draft 'Policy for savings for Children Looked After' was provided (dated April 2021) this was not deemed sufficient and did not meet the criteria of the Act. This policy mentioned weekly allowances, but it was not specific on how much these were or that there was a leaving care maintenance allowance which</p>	<p>Policy in place which includes a section on finances / savings ad includes all elements of the Social Services and Well-being (Wales) Act 2014.</p> <p>Now that the policy is in place we are developing a young person friendly version which will be provided to all looked after children and care leavers with copies available on the NCC website.</p>	<p>Service Manager – Operations</p>	<p>NCC policy completed – policy in place and completed by December 2023.</p> <p>CYP version is underway</p>



**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

Ref.	Weakness & Risk	Audit Comment	Agreed Management Action	By Who	By When
	<ul style="list-style-type: none"> <li>Sets out clear priorities to support Young People to achieve their wellbeing outcomes.</li> </ul> <p><i>Non-compliance with legislation which could lead to the Council failing to fully discharge their duties as the Corporate Parent leading to an increase in Duty of Care claims.</i></p> <p><i>Looked After Children and their families may not be aware of their entitlement to funds and how the Council administers monies on their behalf.</i></p> <p><i>Increased risk of reputational damage if consistent &amp; lawful practices are not followed across the organisation.</i></p>	<p>again is a requirement of the Act. Although the savings policy detailed how Junior ISAs would be administered (see Control Objective 2) other forms of income (employment, inheritance, Criminal Injuries Compensation Authority awards, or other sources) were not mentioned.</p> <p>It was noted that the Pathway Team did have a set of Pathway Service Financial Procedures, but these had not been updated since 2018 and therefore did not reference the Savings Policy or other forms of monies which Young People may have / be entitled to and how this would be administered.</p>			

**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

Ref.	<b>Control Objective 2: Monies held on behalf of Looked After Children and Young People in relation to Criminal Injuries Compensation Payments are held securely and managed in-line with The Social Services and Well-being (Wales) Act 2014 - Part 6 Code of Practice (Looked After and Accommodated Children).</b>
2.01	<b>Strengths:</b> Where records were held, interest was added to the amounts awarded to Young People on an annual basis.

Ref.	Weakness & Risk	Audit Comment	Agreed Management Action	By Who	By When
2.02	<p>The record keeping for Young People with a Criminal Injuries Compensation Authority (CICA) payment was poor. There was no central coordination or record available and the only record available from Finance was not complete. The record did not allow for the Young Person to be easily identified, the amount of the original award, when they were due to receive payment or if payment had already been made.</p> <p><i>Young People with CICA awards held by the Authority may not be identified and payment made when they turn 18.</i></p> <p><i>Appropriate financial advice and planning may not be provided to Young People prior to turning 18.</i></p> <p><i>Reputational damage and Duty of Care claims may be made against the Council where money is not</i></p>	<p>Internal Audit was provided with a spreadsheet by the Finance Business Partner (151981) which detailed the balances for Criminal Injury Compensation Authority (CICA) payments held for Young People in the care of Newport City Council. We were informed that this spreadsheet was used for the calculation of interest to the accounts each year, but no further records could be provided in relation to these awards. There was no central coordination of CICA payments by the Council.</p> <p>The spreadsheet held by Accountancy could not be used to identify the Young Persons as it did not contain the first name, WCCIS reference number or dates of birth. This meant that the Young People could not be easily identified when payments were due to be made to these individuals. Without the dates of birth being provided, we were</p>	<p>Clarification over roles and responsibilities has now been established with Children Services, Finance, Legal and Insurances and business support.</p> <p>A process and procedures are now in which includes a central recording spreadsheet (containing all required details) and records will be uploaded to the young person's account on the WCCIS system.</p> <p>Cross checking and quality assurance checks have been undertaken and will be ongoing as part of our due diligence.</p> <p>Routine attempts will be made to identify the young people listed and we will ensure that money is paid when due and appropriately recorded.</p> <p>Discussions have taken place with the service via service meetings</p>	Service Manager – Operations	Completed by October 2023

**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

Ref.	Weakness & Risk	Audit Comment	Agreed Management Action	By Who	By When
	<p><i>being transferred to Young People promptly.</i></p>	<p>unable to confirm if these Young People were now over the age of 18 and should have already been provided with their money.</p> <p>The initial and surname from this spreadsheet were provided to the Legal team for them to assist with identifying the Young People. The outcome of this was as follows;</p> <ul style="list-style-type: none"> <li>• Child A – 2 possible names / cases were identified (both under 18).</li> <li>• Child B – Young Person identified (aged 13 years).</li> <li>• Child C – unable to identify.</li> <li>• Child D – name identified. It was believed that a payment had already been made but this residual amount was still outstanding.</li> </ul> <p>There was no evidence available to support that Young People were being notified of their Criminal Injury Compensation Authority award. The Pathway Team confirmed to the Auditor that they were not made aware when a Young Person had a CICA award and therefore Young People who receive a Criminal Injuries Compensation Authority (CICA) payment were not being assisted to seek independent financial</p>	<p>and formal email communications with the Pathway Service and Independent Reviewing Officers team to ensure the young person's finances (savings, CICA awards, Duty of Care settlements, Junior ISA's etc) are being fully discussed during 16+ CLA and Pathway reviews.</p> <p>We have extended the use of the Welfare Rights service so young people can obtain independent financial advice.</p> <p>Audit findings have been shared with the whole service and reiterated to Social Workers / Social Work Assistants around their responsibilities with regards to young persons finances and the recording of information on WCCIS.</p> <p>Flow chart was developed and included in the CLA financial policy to assist everyone to follow the correct process going forward.</p>		

**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

Ref.	Weakness & Risk	Audit Comment	Agreed Management Action	By Who	By When
2.03	<p>There was no evidence available to confirm that an interim Criminal Injury Compensation Authority award (£110k) due to a Young Person had been received.</p> <p><i>Money due to the Young Person may not be received. An appropriate period of interest may not be added to the Young Person's award by NCC.</i></p>	<p>advice regarding their use of the award.</p>			
		<p>During the review, the Auditor was made aware of an interim CICA award to a Young Person (Child E). The award was originally issued in March 2020 and chased by the CICA by telephone call and letter in November 2020. As of 12/07/22, this money had not been received by the Council. We were advised that Accountancy had informed the Head of Children Services in April 2022 that the money had not been received, but there was no evidence available to confirm that any action had subsequently been taken since.</p> <p>In addition, there was evidence available on WCCIS to confirm that the Social Worker and family had been informed of the interim award in January 2021 but no further file notes could be located confirming the award had been discussed with the family since. It was confirmed by the Strategic Director (Social Services) that the Council were in the process of appealing the amount of the interim award, but this was not recorded on WCCIS.</p> <p>It must also be noted that once the payment has been received by the</p>	<p>New process in place which ensures regular communication are undertaken with legal and insurances teams and the court fund office regarding obtaining the interim payments. This has been included in the flow chart.</p> <p>Once payment has been received, interest will be added to the amount annually by the accountancy team as part of the process detailed in the CLA financial policy flowchart.</p> <p>Records are now routinely held and added to the WCCIS system confirming the award and that it has been received.</p> <p>A wider discussion has taken place with the relevant social work teams regarding the recording of finance information on the WCCIS system.</p> <p>An additional mechanism recently introduced is the service manager, team leader of business support and the Senior Business Support role meeting quarterly to routinely quality assure the CYP files are accurately recorded, and information is available on their files and WCCIS.</p>	<p>Service Manager – Operations</p>	<p>October 2023 Email updates are routine requested from the allocated worker and then stored in the CYP's BS file</p>

**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

Ref.	Weakness & Risk	Audit Comment	Agreed Management Action	By Who	By When
		<p>Council, interest is added to the original sum. As NCC has not received the amount, the Young Person has missed out on interest being added to the balance for the subsequent period. In addition, by not adding interest in year 1 this would impact on following years' calculations as the opening balance would be higher.</p>			
2.04	<p>Supporting source documentation was not available for those Young People with a Criminal Injuries Compensation Authority (CICA) award confirming the original amounts allocated were correct.</p> <p><i>In the absence of original paperwork, the amounts detailed as being held on behalf of Young People cannot be confirmed and may not be correct. This could lead to future challenge and claims.</i></p>	<p>As detailed in Ref 2.02 from the information provided it was not possible to fully identify the Young People with CICA awards. There was no supporting documentation held by the service area informing NCC of the award, who they related to and what the original award was. The spreadsheets held by Accountancy, although detailed a current balance, this was on the basis of a brought forward balance (including previous years' interest payments) and therefore the original award figure could not be confirmed.</p>	<p>As detailed in 2.02 a process and procedure is in place for CICA awards and the required recording of information. This includes the uploading of financial records / letters and detailed case notes.</p> <p>Routine checks are undertaken to locate the documentation in relation to existing cases where they may be missing and uploaded / recorded as necessary.</p>	Service Manager – Operations	<p>October 2023</p> <p>Spreadsheet is in place to track all CYP and this information is routinely cross referenced and any existing documentation is now stored centrally</p>

**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

Ref.	<b>Control Objective 3: Monies administered on behalf of Looked After Children and Young People in relation to Junior Individual Savings Accounts (ISA's) and Child Trust Funds is managed in-line with the Social Services and Well-being (Wales) Act 2014 - Part 6 Code of Practice (Looked After and Accommodated Children).</b>
	<b>Strengths:</b> No strengths were identified for this control objective.

Ref.	Weakness & Risk	Audit Comment	Agreed Management Action	By Who	By When
3.01	<p>The Council was still administering 203 Junior ISA's totalling £80,270 for Young People who were no longer under local authority care or had turned 18 years of age. Young People had not been paid money they were entitled to.</p> <p><i>Young People and families may not be provided with the money belonging to them in a timely manner. They may be unaware of the existence of the account and may not utilise it to its full potential.</i></p> <p><i>Reputational damage that the Council is withholding funds which is due to vulnerable people.</i></p>	<p>The Share Foundation report dated April 2022 was reviewed and it was identified that a Junior ISA was still being administered by Newport City Council for:</p> <ul style="list-style-type: none"> <li>• 88 Young People who had been Adopted or subject to a Special Guardianship Order (SGO) – value £23,075.04</li> <li>• 69 Young People were listed as 'attained majority' (over 18 years old) – value £41,847.43.</li> <li>• 26 Young People who had been 'returned to parents' (£9,000.78)</li> <li>• 20 Young People who were listed as 'not in care' (£6,347.12)</li> </ul> <p>In total there were 203 Junior ISA's (totalling £80,270.37) being administered by Newport City Council where they should have been transferred either directly to the Young Person or to their family.</p>	<p>Grade 5 perm post is now in place which oversees this aspect of the work.</p> <p>Routine valuation reports are provided quarterly and the grade 5 role. These reports enable the business support to establish if recipient have claimed their junior ISA.</p> <p>Business support have sent letters to all young people who have been adopted or have an SGO in place.</p> <p>Over half of those contacted have responded to date enabling business support to send Sharefound guidance to these individuals as to how to assume responsibility for the Junior ISA accounts.</p> <p>Considerable work has also been completed on those who were older than 18 and this has enabled business support to provide those individuals with the Sharefound</p>	<p>Service Manager – Operations</p> <p>Business Support Team Leader</p>	<p>June 2023</p> <p>Spreadsheet created to address historical numbers.</p> <p>Separate section to include current and new</p>

**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

Ref.	Weakness & Risk	Audit Comment	Agreed Management Action	By Who	By When
		<p>It was noted that the report analysed from the Share Foundation was dated April 2022 (3 months prior to the audit fieldwork being completed) and therefore it would be likely that there would be additional Young People to be added into the above categories.</p>	<p>guidance as to how to assume responsibility for their Junior ISA's.</p> <p>A process and procedures are in place which includes a central recording spreadsheet (containing all required details) and records are uploaded to the young person's account on the WCCIS system.</p> <p>Discussions have been held with both the Pathway and Independent Reviewing Officers team to ensure persons finances (savings, CICA awards, Duty of Care settlements, Junior ISA's etc) are being fully discussed during 16+ LAC and Pathway reviews.</p> <p>We have extended the use of the Welfare Rights service so young people can obtain independent financial advice.</p> <p>A flow chart is in place which is included in the CLA financial policy to assist everyone to follow the correct process going forward.</p> <p>Extra resource was given through a Senior Business Support role to support the extra work around Childrens Savings.</p> <p>An appropriate Business Support role is now in place.</p>		

**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

Ref.	Weakness & Risk	Audit Comment	Agreed Management Action	By Who	By When
			<p>An additional business support post was proposed but the offer of temporary funding wasn't made available due to SPF putting a hold on their application process.</p>		
3.02	<p>The record keeping for Young People who had a Junior ISA managed by the Council was poor. There was no complete list of names, reference numbers and dates of birth of those Young People available. Significant discrepancies were identified between Council records and those of the Share Foundation.</p> <p><i>The Authority may not be appropriately managing all the accounts under their administration. Accounts may not be transferred at the appropriate time when Young People are no longer in care.</i></p> <p><i>Reputational damage that the Council is withholding funds due to vulnerable people.</i></p>	<p>At the time of the audit review, the Authority did not have a complete list of Young People with Junior ISA's being managed by the Authority. Reports were sent to the Council by the Share Foundation periodically, but these do not contain Young People names or dates of birth due to Data Protection. They do contain a reference number which NCC would have provided at the time of application, however, due to the changeover in Social Service management systems these reference numbers may be either WCCIS numbers or from the old CRM system.</p> <p>The Children's Services Business Support Team maintained a spreadsheet of when The Share Foundation (TSF) were notified of a new LAC child who met the eligibility criteria for a Junior ISA. TSF numbers were added to this record once they had been</p>	<p>A process and procedures is in place which includes a central recording spreadsheet (containing all required details) and records will be uploaded to the young person's account on the WCCIS system.</p> <p>A flow chart is in place which is included in the CLA financial policy to assist everyone to follow the correct process going forward.</p> <p>Extra resource was given through a Senior Business Support role to support the extra work around Childrens Savings.</p> <p>An additional Senior Business Support permanent post is now in place.</p> <p>An additional business support post was proposed but the offer of temporary funding wasn't made</p>	<p>Service Manager – Operations</p> <p>Business Support Team Leader</p>	<p>October 2023</p> <p>Up to date spreadsheets are in place to enable identification</p>



**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

Ref.	Weakness & Risk	Audit Comment	Agreed Management Action	By Who	By When
		<p>received, but unfortunately this record did not contain all the accounts recorded on the most recent Share Foundation report. There were 392 Young People listed on the NCC spreadsheet (including those no longer in care) while there were 752 Young People recorded on the Share Foundation spreadsheet as of April 2022. The NCC spreadsheet also did not include the Young Person's date of birth and was not updated once a Junior ISA was no longer being managed by Newport City Council.</p> <p>It was noted that the Business Support Team had started to review a Share Foundation report (dated July 2021) to match up the TSF / LA Reference numbers to individuals within the 'Attained majority' (over 18) section of the report. Of the 62 Young People listed (who had an outstanding balance), 5 could not be identified and matched back to an individual. In addition, this report was now more than 12 months old and it was likely that more Young People would have turned 18 during this period.</p> <p>Due to the above, there was no complete record held of those who had a Junior ISA administered by</p>	<p>available due to SPF putting a hold on their application process.</p>		

**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

Ref.	Weakness & Risk	Audit Comment	Agreed Management Action	By Who	By When
		<p>NCC and it was therefore not possible to;</p> <ol style="list-style-type: none"> <li>1. Identify all Young People with a Junior ISA.</li> <li>2. Identify when a Young Person was due to or had turned 18.</li> <li>3. Ensure that all those who had left care had been notified about their Junior ISA.</li> </ol>			
3.03	<p>There was no documentation available to confirm that Young People (or the Pathway Team) were being made aware of the existence of a Junior ISA or other forms of compensation they were awarded / entitled to. There was no evidence to support that assistance had been provided to allow the Young Person to seek independent financial advice prior to their 18<sup>th</sup> birthday.</p> <p><i>Young People and families may not be provided with the money belonging to them in a timely manner. They may be unaware of the existence of the account and may not utilise it to its full potential.</i></p> <p><i>Young People may not be provided with the correct support and advice on how to manage their money once they turn 18.</i></p>	<p>Discussion was held with the Pathway Team who confirmed that they were not being made aware of Young People who had a Junior ISA or other forms of compensation such as Criminal Injury Compensation Authority awards or Duty of Care Settlement Awards. Therefore, these were not being discussed with the Young Person or included within their Pathway Plans. There was also no evidence to support that the Young Person, family or Social Worker had been notified of who within the Council was acting as the 'Litigation Friend' for Duty of Care Settlements.</p> <p>The Social Services and Well-being (Wales) Act 2014 (Part 6) states that, 'Young People who receive a Criminal Injuries Compensation Authority (CICA) payment should be assisted to seek independent financial advice</p>	<p>Discussions took place with both the Pathway and Independent Reviewing Officers team to ensure persons finances (savings, CICA awards, Duty of Care settlements, Junior ISA's etc) are being fully discussed during 16+ LAC and Pathway reviews.</p> <p>Records are now held on WCCIS of all Junior ISA's or other forms of compensation such as Criminal Injury Compensation Authority awards or Duty of Care Settlement Awards. The Pathway teams are required to ensure that officers review the system to identify any entitlement.</p> <p>We have extended the use of the Welfare Rights service so young people can obtain independent financial advice.</p>	Service Manager – Operations	December 2023

**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

Ref.	Weakness & Risk	Audit Comment	Agreed Management Action	By Who	By When
	<p><i>Reputational damage that the Council is not providing adequate support to Young People which could lead to further Duty of Care claims.</i></p>	<p>regarding the use of their award and how (for example, by establishing a Discretionary Trust Fund) they may retain entitlement to means tested benefits'. There was no evidence that this was being completed. Although the legislation only talks specifically about CICA payments, independent financial advice should also be offered to Young People with Duty of Care Settlements due to the value of these awards and also for Junior ISA's if they have a significant holding.</p>	<p>Service meeting has taken place to highlight the issues raised by the audit review and reiterate to Social Workers / Social Work Assistants their responsibilities with regards to young persons finances and the recording of information on WCCIS.</p> <p>A flow chart is in place which is included in the CLA financial policy to assist everyone to follow the correct process going forward.</p> <p>An additional mechanism recently introduced is the service manager, team leader of business support and the Senior Business support role meeting quarterly to routinely quality assure the CYP files are accurately recorded, and information is available on their files and WCCIS.</p> <p>Extra resource was given to Business Support to support the extra work around Childrens Savings.</p> <p>An additional Grade 5 permanent post is now in place.</p> <p>An additional Business Support post was proposed but the offer of temporary funding wasn't made available due to SPF putting a hold on their application process.</p>		

**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

Ref.	Weakness & Risk	Audit Comment	Agreed Management Action	By Who	By When

**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

Ref.	<b>Control Objective 4: Monies administered on behalf of Looked After Children and Young People in relation to Duty of Care Settlements are managed in-line with the Social Services and Well-being (Wales) Act 2014 - Part 6 Code of Practice (Looked After and Accommodated Children).</b>
	<p><b>Strengths:</b> No strengths were identified for this control objective.</p>

Ref.	Weakness & Risk	Audit Comment	Agreed Management Action	By Who	By When
4.01	<p>Records suggest that Young People who were older than 18 years of age had outstanding financial Duty of Care Settlements due to them where an employee of Newport City Council was the Litigation Friend. We could not confirm that Young People had been paid money they were entitled to.</p> <p><i>Decisions may not be made in the best interest of the Young Person. The Litigation Friend may not be acting in accordance with the wishes of the Young Person.</i></p> <p><i>Young People may not receive the money due to them promptly following their 18<sup>th</sup> birthday.</i></p>	<p>The Duty of Care Settlement record provided by the Central Insurances team was reviewed. This identified 4 Young People who were older than 18 years of age and who had outstanding money held in trust, where an employee of Newport City Council was acting as the Litigation Friend.</p> <p>From reviewing the Young Person's file notes on WCCIS, it appeared that for 2 of these (Child F &amp; Child G), they had been informed about the compensation award and file notes alluded to the fact that the settlements had been paid. However, there was no file note expressively confirming this in either case.</p> <p>For another Young Person (Child H), again there was a file note confirming that a discussion had taken place regarding the award with the Young Person, but the latest file note in May 2022 stated</p>	<p>Clarification over roles and responsibilities has been established via a meeting held between Childrens Services, Finance, Legal and Insurances,</p> <p>A process and procedures are in place which includes a central recording spreadsheet (containing all required details) and records will be uploaded to the young person's account on the WCCIS system.</p> <p>Discussions took place with both the Pathway and Independent Reviewing Officers team to ensure the CYP finances (savings, CICA awards, Duty of Care settlements, Junior ISA's etc) are being fully discussed during 16+ LAC and Pathway reviews.</p> <p>We have extended the use of the Welfare Rights service so young people can obtain independent financial advice.</p>	Service Manager – Operations	October 2023

**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

Ref.	Weakness & Risk	Audit Comment	Agreed Management Action	By Who	By When
		<p>the Social Worker was unsure when the amount would be paid. The Young Person turned 18 in April 2022.</p> <p>There were no details on WCCIS confirming a discussion about or payment of the award for the other Young Person (Child I) listed as being older than 18. A letter was received by the Council (dated 28/07/22) confirming that this Young Person still had money (£7,009.72) held by the Court Funds Office.</p>	<p>We have reviewed all the cases identified that we're aware of to ensure the young people have received the money they are entitled to, and the Litigation Friends responsibilities have been completed.</p> <p>An additional mechanism recently introduced is the service manager, team leader of business support and the Senior Business Support role meeting quarterly to routinely quality assure the CYP files are accurately recorded, and information is available on their files and WCCIS.</p>		
4.02	<p>Children's Services did not hold any central records of Young People who had received Duty of Care Settlements where Newport City Council was acting as the Litigation Friend. There were no detailed file notes added to the Young Person's WCCIS record to confirm a settlement / outstanding settlement along with details of the award.</p> <p><i>The service area is unaware of Young People where NCC are acting as a Litigation Friend and fail to provide the required advice and support.</i></p>	<p>It was identified that Children Services did not have a central record of those Young People who had Duty of Care settlements, where an employee of Newport City Council was acting as the 'Litigation Friend'. The Central Insurances team provided a copy of their record detailing these Young People but this information was not held centrally by the service area, which suggests there was no central monitoring and a lack of general awareness within Children's Services.</p> <p>From the record available, a check was made to WCCIS to ensure</p>	<p>Clarification over roles and responsibilities will be sought with a meeting held between Childrens Services, Finance, Legal and Insurances,</p> <p>A process and procedures are in place which includes a central recording spreadsheet (containing all required details) and records will be uploaded to the young person's account on the WCCIS system.</p> <p>A service meeting was undertaken which highlighted the issues raised by the audit review and reiterate to Social Workers / Social Work</p>	Service Manager – Operations	October 2023

**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

Ref.	Weakness & Risk	Audit Comment	Agreed Management Action	By Who	By When
	<p><i>The Council employee acting as the Litigation Friend may be removed by the Court if they are found not to be acting in the best interest of the Young Person. This could lead to further Duty of Care claims being brought against the Council.</i></p>	<p>that the Young People listed had a file note / record detailing that a settlement had been made / was outstanding. No file notes of this nature could be located although on some of the records, file notes were held which alluded to the award / compensation, but these did not always have sufficient detail such as who was the Litigation Friend, the amounts awarded, dates of the award and the Court Claim Number.</p>	<p>Assistants their responsibilities with regards to young persons finances and the recording of information on WCCIS.</p> <p>A flow chart is in place which is included in the CLA financial policy to assist everyone to follow the correct process going forward.</p> <p>An additional mechanism recently introduced is the service manager, team leader of business support and the Senior Business Support role meeting quarterly to routinely quality assure the CYP files are accurately recorded, and information is available on their files and WCCIS.</p>		

## APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN

Ref	Weakness	Audit Comment	Noted
1.02	The Authority's Corporate Parenting Strategy was out of date and required review.	<p>The Corporate Parenting Strategy available on the Newport City Council website was dated 2015-2018 and was therefore considerably out of date as of the time of the audit review. This is an important document as it identifies the collective responsibility across local authorities and their services to safeguard and promote the life chances of Looked After Children.</p> <p>We were informed by the Strategic Director (Social Services) that the delay in updating this strategy was due to the Council waiting for a new comprehensive guidance document from Welsh Government which was due in 2020 and has still not been received.</p> <p>It was noted that a neighbouring local authority had updated their Corporate Parenting Strategy in 2021, while another did so in 2018. The update of the strategy was included as an action within the Children &amp; Young People Service Plan for 2021/22 and was included within the end of year report as being outstanding for the above reason.</p> <p><b><u>Agreed Management Action</u></b> The Corporate Parenting Strategy is currently being reviewed and a working group has been established for this purpose. This is an ongoing action due to the need to consult with CYP on the development of the strategy.</p>	<p>Service Manager – Operations</p> <p>Proposed completion date is June 2024</p>
2.05	There was no documented internal procedure in how to administer and monitor a Criminal Injury Compensation Authority (CICA) claim and any subsequent award.	It was identified that there was no internal procedure available to Social Services staff regarding when and how they could make a CICA claim on behalf of a Young Person. There was also no guidance available regarding how once claims had been settled that they would be monitored by NCC staff to ensure that the Young Person is transferred the money once	Service Manager – Operations



**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

Ref	Weakness	Audit Comment	Noted
		<p>they reach 18 years of age. This requires co-ordination between staff within Children Services, Legal and Accountancy. In addition, there was no documentation as to how interest would be added to the account and what interest rate would be applied.</p> <p><b><u>Agreed Management Action</u></b> Processes and procedures are in place which are included in the CLA financial policy on how to administer CICA claims in addition to other forms of compensation / Junior ISA's. These are routine monitored as part of the grade 5 business support role and quality assured on a quarterly basis by the service manager and business support team leader.</p>	<p>Completed October 2023</p>
3.04	<p>File notes were not held on the Young Person's WCCIS record detailing that a Junior ISA was being administered on their behalf.</p>	<p>Discussion with the Business Support Team Leader identified that no file notes were being added to WCCIS stating that a Junior ISA was being administered on the Young Person's behalf. These file notes should contain the Share Foundation TSF reference number to allow for easy reference to valuation reports.</p> <p><b><u>Agreed Management Action</u></b> File notes and supporting documentation are being added to the young persons WCCIS record for Junior ISA's as well as other finances as detailed within the report. This has taken place since the introduction of the grade 5 business support role and will be quality assured on a quarterly basis by the service manager and business support team leader.</p>	<p>Service Manager – Operations (JM)</p> <p>Business Support Team Leader (CR)</p> <p>October 2023</p>