

Value for Money audit update for Buckinghamshire County Council

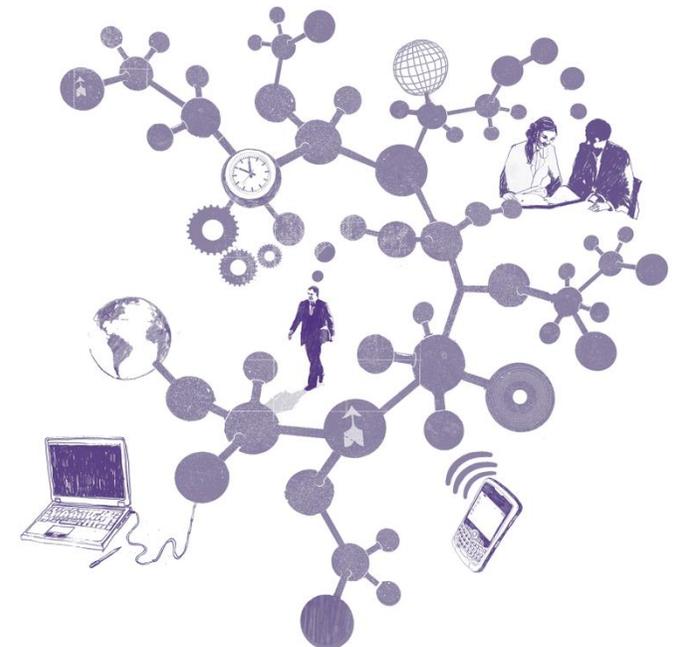
Year ended 31 March 2017

September 2017

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Section 1: Executive summary

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Value for Money

Background

We are required by section 21 of the Local Audit and Accountability Act 2014 (the Act) and the NAO Code of Audit Practice (the Code) to satisfy ourselves that you have put in place proper arrangements for securing economy, efficiency and effectiveness in your use of resources. This is known as the Value for Money (VFM) conclusion.

We are required to carry out sufficient work to satisfy ourselves that proper arrangements are in place at the Council. The Act and NAO guidance state that for local government bodies, auditors are required to give a conclusion on whether the Council has put proper arrangements in place.

In carrying out this work, we are required to follow the NAO's Auditor Guidance Note 3 (AGN 03) issued in November 2015. AGN 03 identifies one single criterion for auditors to evaluate:

In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

AGN03 provides examples of proper arrangements against three sub-criteria but specifically states that these are not separate criteria for assessment purposes and that auditors are not required to reach a distinct judgement against each of these.

Findings

In our Audit Findings Report dated 28 July 2017 we reported to you our findings from our Value for Money review performed for the year ended 31 March 2017.

As set out within our Audit Findings Report, we delayed the issue of our Value for Money conclusion at the request of management to allow us to take account of a planned Ofsted monitoring review that was reported in August 2017.

We have continued our review of relevant documents up to the date of giving our report, and have not identified any further significant risks where we need to perform further work. This report therefore reflects only our findings identified in relation to the "Ofsted inspection of children's services" risk identified at the planning stage of our work. The findings against the other significant Value for Money risks that we identified are set out within our Audit Findings Report dated 28 July 2017 and remain unchanged.

Our Value for Money conclusion is set out on the next page and our proposed audit certificate is included at Appendix A.

Value for Money

Overall conclusion

Based on our review of your arrangements to secure economy, efficiency and effectiveness in your use of resources we have considered the following issue which we anticipate that will give rise to a qualified Value for Money conclusion.

In August 2014, Ofsted issues a report on the inspection of services for children in need of help and protection, looked after children and care leavers, and review of effectiveness of the Local Safeguarding Children Board, concluded that, overall, children's services in Buckinghamshire were inadequate. You have been responsive to the issues identified by the inspection and undertaken a series of actions, as part of a strategy to improve children's services.

You have continued to make significant progress in addressing the arrangements that led to the inadequate rating. However, while improvements have been noted, it is clear that challenges remain, for example around ensuring consistency of social care practice. As a result of the findings reported by Ofsted and the independent chair of your improvement panel as at that time, in October 2016 the Minister of State for Children and Families wrote to you to confirm his intention to maintain the current level of Department of for Education intervention at Buckinghamshire County Council in respect of children's services.

During the last twelve months you have been subject to four monitoring visits from Ofsted and in their letters dated September 2016, January 2017, June 2017 and August 2017, it has been reported that steady progress has been made with improving children's services, while noting that there remain some areas where the pace in achieving the change required has been too slow.

You have not achieved your aspiration set out at the start of the improvement programme for children's services of bring the service to a "good" Ofsted rating within two years and the programme remains in progress. This reflects that the original two year target for improvement was aspirational and may not have been based upon a realistic assessment of the time that would be taken to bring about the required improvements.

Following the completion of the four monitoring visits from Ofsted, the you have now re-entered the "pool" of authorities that can be selected for a full inspection. Your officers expect a full inspection to take place before the end of 2017. The decision of Ofsted not to undertake further monitoring visits was taken due to the amount of time that has elapsed since the previous full inspection and does not indicate any judgement on the level of improvement that has been achieved. However, the opportunity to undergo a full inspection is a positive step forward as it will provide you an opportunity to demonstrate to Ofsted what level of success has been achieved to date in improving children's services.

Based on our review, with the exception of the matter set out above in relation to the arrangements for the management of children's services, we anticipate being satisfied that in all significant respects you have put in place proper arrangements to secure economy, efficiency and effectiveness in your use of resources for the year ended 31 March 2017.

This qualification relates only to the issues noted in relation to the Ofsted inspection of children's services dated August 2014. In all other respects we are satisfied that you have demonstrated that you have in place appropriate arrangements in place for securing economy, efficiency and effectiveness.

Significant difficulties in undertaking our Value for Money work

We did not identify any significant difficulties in undertaking our work on your arrangements for ensuring value for money which we wish to draw to your attention.

There were no matters where no other evidence was available or matters of such significance to our conclusion or that we required written representation from management or those charged with governance.

There were no other matters from our work which were significant to our consideration of your arrangements to secure value for money in your use of resources.

Other statutory powers and duties

We have not identified any issues that have required us to apply our statutory powers and duties under the Act.

The way forward

Matters arising from the financial statements audit and our review of your arrangements for securing economy, efficiency and effectiveness in your use of resources have been discussed with the Chief Executive and the Director of Finance and Assets.

Acknowledgement

We would like to take this opportunity to record our appreciation for the assistance provided by management, the finance team and other staff during our audit.

Grant Thornton UK LLP
September 2017

Section 2: Detailed findings – Ofsted inspection of children’s services

01. Executive summary

02. Detailed findings – Ofsted inspection of children’s services

Key findings (continued)

Significant risk	Work to address	Findings and conclusions
<p>Ofsted inspection of children's services Ofsted issued a report on the Council's children's services in 2014 which gave a rating of 'inadequate' and the Council is currently subject to follow up review. In response to this you implemented an Improvement Plan to address the concerns that Ofsted raised.</p> <p>During our 2015/16 Value for Money review, we noted that the Department for Education had recognised that that there had been clear signs of progress, while the Department for Education also highlighted some areas where they considered that further progress was required.</p>	<p>We reviewed the progress you have made and the findings from inspectors and reviewers in respect of your arrangements as you implement change. We also considered your performance against objectives and targets in delivering a safe and reliable children's service and take these into account in forming our conclusion.</p>	<p>During 2016/17, you continued the improvement journey to develop and improve children's services in response to the findings identified by Ofsted, when you were judged "Inadequate" in 2014. You have continued to invest in developing the children's services function and have ensured that the delivery of the improvement plan is a key priority for you.</p> <p>During the last twelve months you have been subject to four monitoring visits from Ofsted. In their letters dated September 2016, January 2017, June 2017 and August 2017, Ofsted consistently reported that steady progress has been made with improving children's services, but noted that there remain some areas where the pace in achieving the change required has been too slow.</p> <p>Over the same period, the independent chair of the improvement panel for children's services has also submitted reports to the Department for Education which have noted a similarly positive level of continued improvement, while also identifying areas where concerns remain. The chair is now satisfied that a sufficient level of progress is being made that the improvement panel no longer needs to meet as frequently and can convene on a quarterly basis only going forward. This is a positive step forward.</p> <p>The overview of progress made during the year, as reported by Ofsted, is consistent with your own internal monitoring, which highlights that performance has improved but that there remain areas where performance targets are not being met. A positive trend is that the percentage of qualified social workers on an agency contract has reduced during the year as a result of greater conversion of temporary staff to permanent positions. Based on the feedback received during the year from Ofsted, the focus of your improvement has now moved from ensuring compliance to driving improvement through embedding consistency in good practice.</p> <p style="text-align: right;"><i>continued.....</i></p>

Key findings (continued)

Significant risk	Work to address	Findings and conclusions
<p>Ofsted inspection of children's services Continuation of risk noted on page 8</p>	<p>See page 8 for details of the work undertaken in respect of this risk.</p>	<p>....continued</p> <p>Following the completion of the four monitoring visits from Ofsted, the you have now re-entered the “pool” of authorities that can be selected for a full inspection. Your officers expect a full inspection to take place before the end of 2017. The decision of Ofsted not to undertake further monitoring visits was taken due to the amount of time that has elapsed since the previous full inspection and does not indicate any judgement on the level of improvement that has been achieved. However, the opportunity to undergo a full inspection is a positive step forward as it will provide you an opportunity to demonstrate to Ofsted what level of success has been achieved to date in improving children’s services.</p> <p>Based on the findings reported by Ofsted and the independent chair of your improvement panel at that time, in October 2016 the Minister of State for Children and Families wrote to you to confirm his intention to maintain the current level of Department of for Education intervention at Buckinghamshire County Council in respect of children's services.</p> <p>In addition, in June 2017, the Department for Education wrote to the Council and noted that “there was overall consensus that children are getting a better service now as a result of changes which have been implemented” but that “improvements are not yet fully embedded across all parts of the service. For example, thresholds are not yet being applied consistently and not all management supervision is sufficiently reflective to move cases forward.”</p> <p>You have not achieved your aspiration set out at the start of the improvement programme for children’s services to be operating at a “good” Ofsted rating within two years. The programme remains in progress. This reflects the fact that the original two year target for improvement was aspirational and may not have been based upon a sufficiently realistic assessment of the time that would be taken to bring about the considerable improvement required.</p> <p>continued.....</p>

Key findings (continued)

Significant risk	Work to address	Findings and conclusions
<p>Ofsted inspection of children's services Continuation of risk noted on page 8</p>	<p>See page 8 for details of the work undertaken in respect of this risk.</p>	<p><i>....continued</i></p> <p>You continue to undertake work to improve your arrangements for managing risks effectively and maintaining a sound system of internal control, demonstrating and applying the principles and values of good governance, and planning, organising and developing the workforce effectively to deliver strategic priorities. You recognise that as at the year end children's services were not yet performing consistently at a level that would be sufficient to avoid a qualified Ofsted rating. Whilst recognising the significant progress you have made in response to the Ofsted report, in line with your strategic plan your work in these areas is on-going and, accordingly, we propose to qualify our value for money conclusion in this respect.</p> <p>On the basis of the work completed we have concluded that the risk was not sufficiently mitigated.</p>

Appendices

A. Audit Certificate

A: Audit Certificate

We anticipate we will provide the Council with an a qualified “except for” value for money conclusion in September 2017.

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS BUCKINGHAMSHIRE COUNTY COUNCIL (the "Authority")

Issue of audit opinion on the financial statements

In our audit report for the year ended 31 March 2017 issued on 28 July 2017 we reported that, in our opinion:

- the financial statements present a true and fair view of the financial position of the Authority as at 31 March 2017 and of its the Authority’s expenditure and income for the year then ended; and
- the financial statements had been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and applicable law.

Issue of audit opinion on the pension fund financial statements

In our audit report for the year ended 31 March 2017 issued on 28 July 2017 we reported that, in our opinion:

- the pension fund’s financial statements present a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2017 and the amount and disposition at that date of the fund’s assets and liabilities; and
- the pension fund’s financial statements had been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and applicable law.

Conclusion on the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Respective responsibilities of the Authority and auditor

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 20(1)(c) of the Act to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2016, as to whether the Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criteria as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether in all significant respects the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Basis for qualified conclusion

In considering the Authority's arrangements for securing economy, efficiency and effectiveness we identified the following matter:

In August 2014, a report by Ofsted concluded that overall arrangements for ensuring the effectiveness of Children's Services at the Authority and the Local Safeguarding Children's Board in Buckinghamshire area were judged to be 'inadequate'.

Reviews of children's services undertaken by Ofsted in the form of four monitoring visits reported on in September 2016, January 2017, June 2017 and August 2017 found that steady progress had been made in response to the Ofsted findings while noting that there remain some areas where the pace of change in achieving the change required has been too slow. The August 2017 report noted that there was "sustained progress in important areas, such as an increase in permanent staff in almost all teams", while also highlighting that "sufficient improvements in the experiences of care leavers are not evident, and practice remains too inconsistent".

This matter is evidence of weaknesses performance management, and for planning, organising and developing the workforce effectively to deliver strategic priorities.

Qualified conclusion

On the basis of our work, having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2016, except for the effects of the matter described in the Basis for qualified conclusion paragraphs above, we are satisfied that, in all significant respects, the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

Certificate

In our report dated 28 July 2017, we explained that we could not formally conclude the audit on that date until:

- we had completed our work to give our conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources; and
- we had completed the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement.

We have now completed this work. No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave an unqualified opinion.

We certify that we have completed the audit of the financial statements of the Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office on behalf of the Comptroller and Auditor General.

Paul Grady

Paul Grady
 Director
 for and on behalf of Grant Thornton UK LLP, Appointed Auditor

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[to be dated]



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