

Annex A: Summary of audit findings and recommendations

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Administration of Looked After Children's Finances	<p>Children may have personal money from various sources; benefit payments (Disability Living Allowance (DLA)), Child Trust Fund (CTF); Junior Individual Saving Accounts (JISA); relatives or compensation payments. Surrey County Council, as the corporate parent for looked after children (LAC), has a duty to ensure that any personal money held on behalf of children is protected from loss, misappropriation or mismanagement.</p>	<p>There are a number of areas of concern arising from this audit, most notably inequitable financial arrangements for children and the failure of the council to fulfil certain statutory duties. Key concerns include:</p> <ul style="list-style-type: none"> • No clear procedures for recording of children's personal finances they enter with or accrue during their time in care; • Unavailable central guidance leading to inconsistent local practices being developed; • Surrey Savings Scheme is intended to promote financial capability however failure to circulate guidance limits effectiveness of the scheme; • Audit testing of a sample of children who should have long term savings, suggests 34% do not hold a JISA or CTF. This suggests the council is not complying with legislation and is failing to fulfil its statutory duty to promote financial capability for LAC in line with national policy. 	Unsatisfactory	<p>Confirm which LAC who have been in care for 12 or more consecutive months, hold JISAs. (H)</p> <p>Review records and historic HMRC returns of all LAC to establish which children hold a CTF. (H)</p> <p>Take appropriate action for all children who do not have a CTF or JISA. (H)</p> <p>Maintain/monitor a central record of LAC's savings, JISAs and CTFs. (H)</p> <p>Update Foster Carer and Carer Handbooks with policies and procedures for recording of children's personal finances including DLA. (H)</p> <p>Update/ circulate 'LAC Savings Accounts' guidance so that a fair/ consistent approach is taken in safeguarding children's personal savings and promoting financial capability. (H)</p> <p>Review of LAC records to identify children who receive DLA. (H)</p> <p>Implement transparent reporting of LAC savings. (H)</p>

Annex A: Summary of audit findings and recommendations

				Include a request and confirmation of the LAC's savings accounts within the Leaving Care Policy and Procedures note. (H)
--	--	--	--	---

Audit Opinions

Effective	Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Some Improvement Needed	A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Significant Improvement Needed	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
Unsatisfactory	Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.

² Audit Recommendations

- Priority High (H)** - major control weakness requiring immediate implementation of recommendation
- Priority Medium (M)** - existing procedures have a negative impact on internal control or the efficient use of resources
- Priority Low (L)** - recommendation represents good practice but its implementation is not fundamental to internal control