

**Audits where assurance is assessed as 'No' or 'Limited'**

**LIMITED ASSURANCE**

**Children's Services – Kinship Care Allowances**

**Introduction and Scope**

It is estimated that up to 300,000 children in England are cared for full time by a relative, friend or other person previously connected with the child (connected person). All of these arrangements are referred to as Family and Friends Care or Kinship Care Arrangements.

In Lincolnshire, children in kinship care arrangements are covered by a range of legal statuses, which are outlined as follows:

- Kinship Care placement: - with a connected person, who already was, or has now become approved as a foster carer. The child's status is Looked After.
- Regulation 38 placement: - with a connected person, usually in an emergency. The status of a child in such a placement is Looked After. If the placement is to remain after the permitted period the carer must be approved as a foster carer in the same way that any other foster carer would. This is now known as regulation 24 ( Fostering Service (England) Regulations 2011)
- Residence Order, Special Guardianship Order and Adoption Order: A connected person can apply for any of these courts orders as a method of permanence for the child. Once an order has been granted by the court the child is no longer Looked After, if this was their prior status. The difference between the orders is the level of parental responsibility.

The authority has a duty to offer financial support, sometimes means tested, to ensure that the child is not economically disadvantaged by the placement.

Our audit focused on residence orders, regulation 38 and kinship care allowances. This included:

- Policies and guidance to staff and applicants, including clear definition on the status of placements
- Staff training to fully embed policies
- The application of policies and guidance
- The process for conducting an assessment for funding
- Annual review of funding, including a sample of cases

The purpose of this audit was to provide assurance that:

- an appropriate allowance is consistently available to enable a child to be cared for through a residence order, regulation 38 placement or kinship placement where otherwise financial constraints would prevent this
- the process ensures appropriate allocation, review and financial control of allowances

## **Management Summary**

### **Assurance Opinion**

#### Limited Assurance

Kinship care allowances are a very complex area, where allowances paid depend on the current and prior legal status of the child. We found that residence orders had not been reviewed up until January 2011 when responsibility transferred to Regulated Services. This has resulted in overpayments. Management are aware of this and are well on their way to addressing the issue.

We also identified that residence order and special guardianship order allowances do not attract inflation or age related uplift. This could disadvantage carers.

We can provide assurance on allowances being paid for those children who are legally Looked After. We found:

- Policies are available to all staff and carers via the Children's Services Procedures Online. The policies outline the status of the placement and the process for assessing and paying allowances.
- Carers of children in a Kinship Care Placement or a Regulation 38 Placement are paid the age related foster care allowance, as per any other foster care arrangement.
- The process in place to carry out initial financial assessments and reviews for special guardianship orders are effective.

Our report makes some recommendations for improvement, including:

- The risk associated with the current practice of not increasing allowances in line with inflation and age related boarding out rates should be assessed and a decision made on the best approach to this in the future
- Policies should be updated to reflect changes in the Fostering Services (England) Regulations and include 'Connected Persons'
- A target date to complete the review of residence orders

- Training for staff on kinship care allowances should be refreshed and rolled out to ensure all new recruits are up to date
- The Mouchel assessment team, who calculate allowances and arrange payments for Children's Services should liaise with Regulated Services to ensure that they are using the most recent boarding out rates when calculating allowances as they are currently using the 2010/11 rates

### **Actions and Priorities**

We held a closure meeting with Sue Westcott Assistant Director – Children's Services to discuss the findings of the audit and agree actions. Most significantly:

- DMT will discuss and agree a way to proceed with regard to the annual increase in allowances
- The Head of Regulated Services aims to have the review of residence orders completed by the end of December 2011
- Policies and procedures will be updated to reflect changes in regulations

### **Management Response**

I am satisfied that this has been a full audit. we now have a closure date for the review and working our way through the list of kinship carers who are receiving allowances.

Four of the five agreed actions from this audit have an implementation date of 31<sup>st</sup> December 2011, with the fifth having an implementation date of 31<sup>st</sup> March 2012.

**End of Appendix B**