

## Background and Context

- 1.1 The Refugee Resettlement Team provides support to refugee families assessed by the United Nations as particularly vulnerable and therefore eligible for formal resettlement. Support is organised through different government funded schemes which fund support such as housing and help with day-to-day living for a specific period, typically 3-5 years.
- 1.2 Separately, the Council provides cash support to people presenting with 'no recourse to public funds' (NRPF) such as asylum seekers and victims of domestic violence.
- 1.3 This audit reviewed the governance arrangements in place to ensure that the Council delivers its responsibilities to refugees, and that sufficient financial controls exist for handling cash associated with services to those without recourse to public funds.

## Scope and Objectives

- 2.1 The scope of the assignment included:
  - Consideration of the Council's approach to supporting resettlement of refugees and whether this aligns with government requirements and Council policy.
  - Assessment of whether the Refugee Resettlement Team has clear procedures and schemes of delegation to ensure that grant funding for refugee resettlement receives appropriate scrutiny and approval.
  - Assessment of the financial controls to ensure that cash support to NRPF persons is appropriately accounted for.

## Audit Opinion

- 3.1 Overall, Internal audit obtained **No Assurance** that effective governance arrangements for Refugee Resettlement schemes and financial controls for cash support provided to persons NRPF were in place.

## Key Messages and Findings:

- 4.1 Internal audit identified a lack of documented procedures for cash handling, a lack of segregation of duties and missing or inadequate retention of required documentation. The service is at risk from single points of failure due to only one staff member being able to manage scheme claims, and one officer able to order and manage cash and receipts. Compliance with scheme conditions, such as completion of required documentation is poor.
- 4.2 The Council makes claims for several schemes, including the UK Resettlement Scheme and the Homes for Ukraine scheme. The Service Manager for Refugee Resettlement is solely responsible for managing all aspects of claims and no procedure document has been produced to enable the service to continue to be managed if they become unavailable. Section 151 Officer approval is a condition of funding for the Homes for Ukraine scheme and was evidenced as taking place but the Council has no approval procedure for other schemes.
- 4.3 Controls to restrict access to cash, to segregate duties and to retain appropriate corporate records of activity for handling cash are not in place. The Customer Service & Finance Officer is solely responsible for ordering cash, preparing payment receipts, performing cash counts and inputting data into a finance spreadsheet. If this person becomes unavailable, responsibility is not delegated to another team member. This happened between February and May 2023 resulting in uncertainty over whether payments could be made to persons NRPF, proper accounting processes not followed or documented, and £800 of cash reported as missing and

not resolved. A separate investigation was undertaken into this matter which confirmed the findings of the original audit. Thus, the management action plan already in place will address the findings.

- 4.4 Weekly cash counts are performed but are not evidenced and the finance spreadsheet does not record the actual amount of cash maintained. Our sample testing of records for ten cash deliveries made between December 2022 and September 2023 identified that a different cash amount was delivered to the amount ordered on two separate occasions. One instance amounted to £10 due to human error and another £100 due to this amount not being delivered in the previous week. However due to cash counts not being retained we could not reconcile the variances.
- 4.5 The entire Asylum Team has access to the cash held at the office and can update the spreadsheet used to record payments, meaning that cash could potentially be taken, and payment records altered to hide theft.
- 4.6 We found that record keeping can be inaccurate or incomplete. Support plans are required for each family as part of scheme funding conditions. The Council is not meeting its conditions under the schemes as we found instances of support plans not being in place or unable to be evidenced. Clients, or their representatives, may turn up on an ad-hoc basis throughout the week for a cash payment. We identified instances where the person collecting the support on behalf of the beneficiary was incorrectly recorded rather than the actual beneficiary, meaning that payment may not be able to be reconciled back to that beneficiary in the future. For regular payments, receipts should be signed by both the social worker and client to evidence that the payment was successfully made, and the amount was correct. Our sample testing of ten receipts identified one instance where the receipt was not signed by the social worker.
- 4.7 Issue of pre-paid cards rather than cash could significantly reduce financial risks to the Council. At the time of our review, 11 cards had been issued; however, implementation has been slow as only the Customer Service & Finance Officer had access to the various systems required to set up a card. Prepaid cards could reduce cash requirements, alleviate workloads, and a more effective record of payments could be maintained.
- 4.8 We raised three high, four medium and one low priority findings. These related to:

High Priority:

- A single point of failure with a single officer responsible for ordering cash, preparing payment receipts, performing cash counts, and inputting data into the finance spreadsheet.
- Documentation of weekly cash counts not being retained.
- Unrestricted Asylum Team access to the safe and payment spreadsheet.

Medium Priority:

- Slow roll-out of the use of pre-paid cards.
- No segregation of duties and governance in the submission and approval of claims to some refugee resettlement schemes.
- Missing or incomplete support plans.
- Recording inaccuracies related to beneficiaries provided with ad-hoc support.

Low Priority

- Lack of social worker signature on one receipt for payment sampled.

## Management Response

- 5.1 The findings have been accepted by management who have agreed management actions to address them. In order to support the work, additional staff resources have been secured and implementation of the management actions is progressing well. The Director – Adult Social Care is overseeing timely completion of the actions. These include:

<b>Management Action</b>	<b>Progress</b>	<b>Outstanding Actions</b>	<b>Due Date</b>
1. Taking immediate steps to secure administrative support to cease wide and unrestricted access to cash.	Administrative support is currently being recruited. This will ensure comprehensive support and good governance around cash handling. Meantime, procedures and record keeping have been strengthened.	Confirm appointment of administrative officer and deliver induction and training	29/02/24
Putting in place robust cash handling, recording and reconciliation arrangements, and establishing sound systems of internal control, including documented procedures	A Practice and Assurance Framework is being drafted and will be in place by the end of January; this will set out clear procedures and practice standards. In the short-term record keeping has been improved, e.g. to ensure that the weekly cash count records are maintained	Approve and launch Practice and Assurance Framework	31/01/24
Training for staff on new systems and protocols which sets out the appropriate segregation of duties to safeguard public funds	Training and development for staff will follow the launch of the Practice and Assurance Framework	Design training  Training delivery completed.	29/01/24  01/03/24
Move away from cash handling wherever possible through the introduction of prepay cards, supported by tight governance protocols which restricts and controls access whilst ensuring that people who need the support receive it in a timely way	The implementation of pre-pay cards is well progressed, with a new process for decision making and allocation of pre-pay cards. By the end of January 2024, the value of cash handling will have reduced by approximately 50%	Continue to implement pre-pay cards as appropriate to reduce cash transactions	Ongoing
As part of the review of financial governance, the service will put in place arrangements to ensure that grant income is appropriately approved, and that accountability for performance of grant conditions is understood and reported on and assurance provided	Governance arrangements have been tightened to ensure that the decision-making pathway is followed. The Head of Service will provide oversight and ensure that grant conditions are complied with	Implemented	31/12/24
Completing support plans for all individuals in accordance with grant conditions and ensure they are correctly filed, while carrying out spot checks to ensure ongoing sustainability as part of Adult Social Care 'business as usual' quality assurance activity	This work is well progressed, and all support plans will have been completed by the end of January 2024. Management oversight is maintained, and management audits will be undertaken to ensure compliance	Finalise support plans	31/01/24
Establish protocols for case recording and correct all case records for people receiving support.	These will be included in the Practice and Assurance Framework documents for completion by the end January 2024.	Audit case recording to ensure correct filing	29/03/24