

# Glasgow City Council Internal Audit Section

## Committee Summary

### Chief Executive's Department –

### Whole Family Early Intervention Fund arrangements

Item 3(a)

20th May 2026

#### 1 Introduction

- 1.1 As part of the agreed Internal Audit plan, we have carried out a review of Whole Family Early Intervention Fund arrangements.
- 1.2 Glasgow City Council (GCC) in partnership with the Scottish Government (SG) has undertaken significant work to bring together, and continue to bring together, specific funding allocations. This provides an opportunity to better co-ordinate the use and impact of these funds towards a shared ambition, through collective oversight of allocation decisions. This approach has essentially created an aligned change fund that reflects the need to facilitate the practical delivery of the shared policy intent through improved funding flexibility. This intended model of operating will both increase the scope and impact of expenditure in the City, maximising the use of resources towards shared goals around tackling Child Poverty.
- 1.3 In partnership with colleagues at the SG, progress has been made in relation to increased funding flexibilities across funds aligned to specific policy agendas. Whilst work is ongoing to secure alignment to funding ambitions at a national level, the development of a national framework to deliver on the Verity House Agreement will also provide further opportunities to facilitate greater funding alignment. The Verity House Agreement is a high-level partnership agreement between the SG and Convention for Scottish Local Authorities (COSLA) aimed at improving collaboration between National and Local Government.
- 1.4 In March 2023, the Council's City Administration Committee (CAC) approved the acceptance of an initial tranche of funding (£19.5m) for the Whole Family Wellbeing Fund (WFWF), to be held and managed by the Council on behalf of the Children Services Executive Group (CSEG) which comprises Council, other statutory partners and third sector representatives. In June 2024, CAC agreed to the establishment of the Whole Family Early Intervention Fund (WFEIF) an overarching funding structure aimed at bringing together three associated specific funding allocations (WFWF, No-one Left Behind and the Child Poverty Fund) to help facilitate improvements in the co-ordination and use of funding received. At the time of the audit, funding received from the SG and being managed across the WFEIF was £27.2m, broken down as follows:
- WFWF (£19.5m)
  - No-one Left Behind funding (NOLB) (£5.4m) and
  - other child poverty programme funding predominantly derived from COVID carried forward (£2.3m)
- 1.5 With the agreement of the SG, the WFEIF funding is being used to test a different way of working for tackling child poverty. An initial ten WFEIF projects with a total value of £9.2m had been approved. The scope, extent and timing of future projects to utilise the remainder of the funding has still to be agreed in collaboration with the SG.

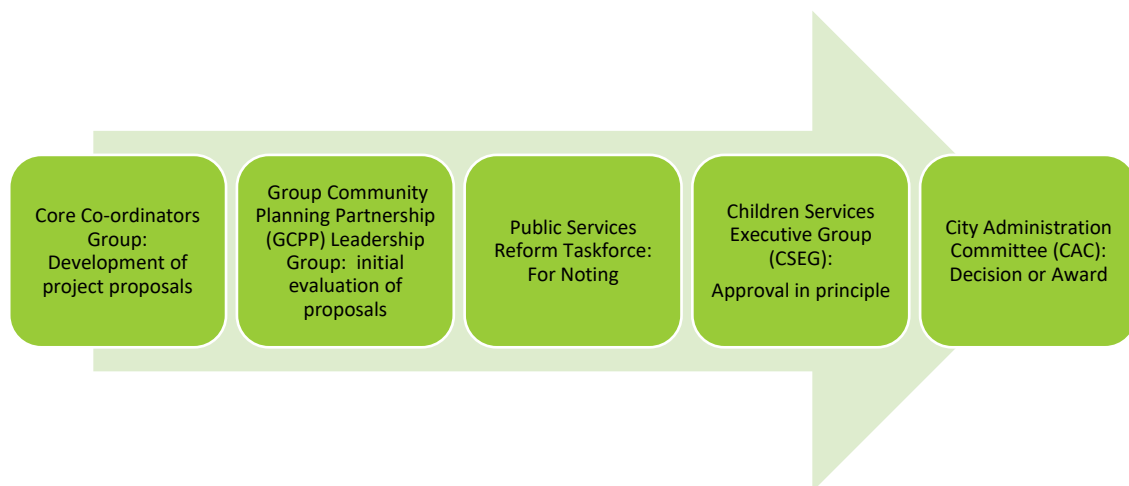
- 1.6 Funding criteria specifically highlights that the WFEIF resources are an investment in transformational change and cannot therefore be used to fund existing ‘business as usual’ activity. The key aims of the funding are:
- Investing in change capacity to ensure that as a city we can maximise the use of resources already available to us.
  - Tending to the ‘As Is’ through investment in existing practice to meet ongoing demand and support reform where the focus aligns with our future approach.
  - Investing in innovative ‘demonstrations of change activity’ to test new practice in the short to medium term to provide further learning on which to build our transformational change.
  - Investing in specific population cohorts and communities identified as presenting particularly challenging circumstances.
  - Focusing on areas of pressure that have emerged through our analysis of the current landscape, including English as a Second or Other Language, Childcare, Mental Health, Financial Inclusion and community cohesion.
  - Supporting policy alignment and demonstrate the value of funding flexibility to deliver across a number of areas.
- 1.7 The objective of the review was to evaluate the existing arrangements for managing the funding programme and identify opportunities for enhancing these arrangements as part of the ongoing process development. The following areas were reviewed:
- Governance arrangements including roles and responsibilities
  - Project assessment and decision making
  - Project monitoring and scrutiny
  - Financial monitoring
  - Risk management
  - Reporting and accountability
  - Compliance with rules and regulations
  - Lessons learned and next steps.
- 1.8 The review has identified scope for improvement in the existing arrangements and one recommendation which management should address.

## Main Findings

- 1.9 The WFEIF represents a new approach to tackling child poverty by focusing on prevention and early support for families rather than responding to crises. Rather than services being delivered separately by different partners, the WFEIF relies on multi-agency collaboration, and Local Authorities and Community Partners are given more flexibility on how the Fund will be used.
- 1.10 We acknowledge that, as a pilot initiative, the governance and management processes are intentionally being developed in parallel with the delivery of the programme. These arrangements continue to be reviewed and adjusted in response to emerging insights, feedback and operational experience.
- 1.11 We also recognise the progress that has been made in establishing the foundations of governance for this programme. However, as the programme further matures, there is a need to consolidate and formalise key governance and assurance processes. We have taken this opportunity to review the current arrangements and identify areas where existing controls can be strengthened, to ensure that robust mechanisms for decision-making, monitoring, reporting and evaluation are in place. This will help to provide assurance that the programme is being managed effectively as it moves forward.

## Governance Arrangements

- 1.12 Since the inception of the WFEIF, ongoing work has focused on establishing a governance structure to support the effective management and oversight of the Fund. An initial process flowchart was developed as part of the governance arrangements, outlining at a high level, the key governance groups involved, the hierarchy of responsibility, and the key stages required for project proposal, approval, allocation, monitoring and payment. The initial governance and decision-making process is shown in the diagram below:



1.13 Through discussions, we identified that the governance structure had been updated and the current governance arrangements being followed are shown below:

Step 1: Child Poverty Programme (CPP) Leadership Team for agreement to move to next stage

Step 2: Core co-ordination Group development of project proposals

Step 3: Children's Services Executive Group (CSEG) Approval in principle

Step 4: City Administration Committee – decision or award

1.14 Although these updated arrangements have been captured within a high-level process flowchart, this does not provide sufficiently detailed guidance around the roles and responsibilities of those involved and what is expected of them at each of the key stages of the process (for example, responsibility for identifying and validating the data and value of funding included in the project proposal). We also identified the following

- Formal Terms of Reference documents and arrangements have not been agreed for all governance groups involved in the process.
- The current approval routes are not clearly defined or aligned to the Scheme of Delegation (SOD).
- The current governance documentation does not address whether bespoke conflicts of interest arrangements should be in place for any part of the process.

### **Project assessment and decision making**

1.15 The governance documentation sets out the expected accountability arrangements in place. However, through subsequent discussions, we identified that different governance arrangements were being followed in practice. The Children Services Executive Group (CSEG) still oversee the development of Fund arrangements and agree how the monies will be used. However, the GCPP multi partner group referenced did not become fully operational. A child poverty multi-disciplinary group (core co-ordination group), comprising of representatives from across the community planning organisations involved in the management and delivery of the Fund, provide operational insight to the leadership team and CSEG, and identify, develop and submit project proposals for review / consideration by the leadership group and CSEG.

1.16 Decisions on funding are based around the principles of the Glasgow City Council 'Cost of Living Crisis Funding' process. Although we were advised that funding decisions are made based on these principles, details of how the project proposals align to the guiding principles is not clearly recorded as part of the evaluation process to evidence the justification / rationale for the project being approved.

1.17 The governance documentation shows that Committee sign off through CAC is required for all projects. However, through discussion, we were advised that there are various exceptions where this would not apply (e.g. internally delivered projects or established projects proposing a change of funding source), and cases where the approval can be granted by a different Committee (e.g. the Integrated Joint Board), or where Council services involved in the delivery of the project have delegated responsibility for obtaining the Committee approval. These variations in the approval process have not been documented. This may result in a lack of consistency and clarity around the approval

routes expected to be followed and could impact Committee visibility and oversight of WFEIF arrangements.

1.18 We reviewed a sample of five approved projects and traced them through the review and scrutiny process. We found:

- Although discussions were held at CSEG and noted within the papers, evidence was not in place to demonstrate how the project aligned to the guiding principles for any of the five projects reviewed.
- Each overarching project is allocated a budget from the WFEIF Fund. However, we found that sufficient evidence was not in place to substantiate the basis upon which the value of the budget allocation for each project had been identified, reviewed and agreed for any of the five projects reviewed.
- A formal record of outcomes and actions arising from the leadership team and operational meetings was also not in place for any of the five projects reviewed however this has now been introduced by management to strengthen record keeping.
- As noted above, the governance documentation shows that Committee sign off through CAC is required for all projects. However, through discussion, and through our sample testing, we identified that there are various exceptions where this would not apply (e.g. internally delivered projects or established projects proposing a change of funding source) and approval can be granted by a different Committee (e.g. the Integrated Joint Board or individual Service Committees). Although all five projects reviewed had been presented to CSEG, we found that subsequent approval routes followed were inconsistent and did not align directly to the governance documentation. These variations in the approval process have not been documented. This may result in a lack of consistency and clarity around the approval routes expected to be followed and could impact Committee visibility and oversight of WFEIF arrangements

1.19 Where the process for Committee approval is delegated to Services, there is no process to follow this up to ensure that it has taken place. We had found that in one of the five projects reviewed (EBSNA), Committee approval was not required as the project was already established, with agreed suppliers in place and the intention was solely to change the source of funding to allow the project to continue. However, there was no process in place to feed this back to the governance groups overseeing the Fund.

### **Project Delivery**

1.20 Once approved, each project is assigned a project manager from the relevant Service areas across the Council and Community Planning partners. The project manager is tasked with overseeing the tendering process and approving who will be responsible for taking forward the delivery of the project (e.g. external organisation or internal service) however their responsibilities have not been documented. The process flowchart developed as part of the governance arrangements provides a high-level summary of the tendering process that should be followed. We were advised that there can be variations in the tendering process applied based on the bespoke nature of some of the projects and the availability of suitable Services / organisations who are able to deliver what would be required. These have not been captured within the process documentation currently in place.

## Project Monitoring and Scrutiny

- 1.21 The project manager also has responsibility for ensuring there is effective oversight and monitoring of the project. There is currently no requirement for project managers to identify key project milestones / deliverables at the outset of the project to provide a baseline against which project performance can be measured. Unlike a traditional approach to projects where milestones and outcome are agreed upon in advance, those overseeing the Fund have agreed that these arrangements will be developed in collaboration with the projects recipients as the projects evolve. However, we found that guidance has not been provided to project managers to ensure that any arrangements are developed consistently and cover the key following areas:
- Frequency and nature of monitoring / returns
  - Validation and scrutiny of data / returns received from Fund recipients
  - Expected engagement with Fund recipients
  - Release of Fund payments
  - Project performance monitoring and reporting
  - Escalation and intervention arrangements
  - Lessons learned and feedback loops.
- 1.22 The documented governance guidance sets out the arrangements for the release of payments based on the value of the award granted (e.g. awards less than £30,000 are paid in one instalment). However, the release of project funding is currently not directly tied into the delivery or achievement of project outcomes. Instead, the project manager will decide whether a payment should be released based on their engagement with the funding recipient and their understanding of the work being undertaken or whether funding is required to allow work on the project to start / progress. The rationale / basis for the decision on the release of the payment is not formally recorded by the project manager.
- 1.23 We met with three project managers and, in each case, discussed one of the projects they had responsibility for overseeing. We found:
- Project milestones had not been identified for any of the three projects reviewed.
  - For one project, running since autumn 2024, no progress updates / returns had been submitted by the organisation running the project (funding recipient). Discussions are currently ongoing between the project manager and funding recipient to agree expected project outcomes and a suitable format for returns.
  - Although returns had been made by the funding recipient for the other two projects, the frequency of these varied and neither return provided any overarching update on project outcomes. There was no evidence that the returns had been subject to any formal review / scrutiny by the project manager.
  - For the three projects reviewed, we found that the payment arrangements followed did not align to the payment frequency thresholds captured in the documented guidance above. The rationale / basis for releasing the payment had not been captured for any of the three projects discussed.

### **Risk Management**

- 1.24 We were advised that the expectation is that individual project managers will maintain a risk register for each individual project, however, guidance on the requirement to do this is not included in the current governance documentation. From the discussions held with the three project managers, we found that a risk register was not in place for two of the projects. There is currently no strategic risk register to capture and monitor overarching strategic risk relating to the programme / Fund. However, a Programme Management Support Officer has recently been appointed who has been tasked with reviewing the current risk management arrangements and implementing more robust processes. This was ongoing at the time of the audit.

### **Financial Monitoring**

- 1.25 A financial monitoring and financial tracker document is maintained for the full WFEIF programme to track and record details of funding received, monies allocated to projects, and payments made to project recipients. Financial updates are discussed every two weeks at a leadership team budget meeting although details of the decisions made or actions to be taken forwards at these meetings are currently not recorded.
- 1.26 We were advised that the financial information is reconciled periodically to the financial ledger, the frequency for this to be undertaken has not been formally agreed and the financial records do not currently provide sufficient detail to evidence the financial monitoring records being reconciled to the financial ledger.
- 1.27 We performed a reconciliation to agree the data held in the monitoring records to the financial ledger. We found that, for 4 of the 10 projects reviewed, the individual project monitoring records had not been fully updated to reflect the ledger position. We also found that the overall financial reconciliation sheet used to monitor income and payments across all projects had not been updated to reflect all transactions. This was identified as a timing issue and an updated reconciliation was provided during the audit which agreed to the ledger.
- 1.28 To date, the various funding streams within the WFEIF have been recorded within different areas of the ledger, making it difficult to readily consolidate an overview of the financial position to support management scrutiny and decision making. We acknowledge that plans are in place to address this issue and to streamline the existing accounting arrangements to improve the quality of the financial information being monitored.

### **Reporting and Accountability**

- 1.29 As noted previously, outcomes for the projects have not been formally defined and as such, there are currently no arrangements to report back to the governance groups on project progression, and whether expected outcomes are being achieved. There is also no process to report on progress being made towards the Fund's key outcomes and deliverables, or to assess whether they are being achieved. The current governance arrangements do not specify who the intended audience for such updates should be. We were advised that work is currently underway to review and implement reporting

arrangements as part of the development of a new performance management framework currently being undertaken by the community planning partners, however, this work has yet to be finalised.

- 1.30 The SG provides funding in advance for WFEIF, and this is held by the Council on behalf of the Fund programme. There is no requirement to draw down monies through the submission of returns. NOLB was the only funding source which had monitoring requirements at the time of the audit and required a quarterly return to be submitted to the SG based on project expenditure. We reviewed the supporting documentation for the NOLB funding and were able to reconcile these returns to the financial records on file and confirm that these had been submitted as required.
- 1.31 The Improvement Service had seconded an officer to the project team to monitor the work that was being undertaken by the programme which the SG acknowledged would be sufficient to fulfil monitoring conditions in relation to the full WFEIF project. We were advised that discussions continue to be held between the project team and SG to determine what information requires to be reported for the Fund and thereafter, work will be undertaken by the Programme Fund manager to agree on and implement an appropriate structure to support this. We have been advised that agreement has been reached that this will be facilitated through the Community Planning Partnership.

### **Lessons Learned / Evaluation**

- 1.32 The projects currently being funded are all still ongoing and have not yet come to an evaluation stage. However, a process to assess projects and viability for future investment has not been established within the current governance arrangements to ensure that success stories from the projects, opportunities for further investment and development of projects, and project risks are captured and fed back into the assessment and decision-making process.
- 1.33 Through subsequent discussions, we have identified that the project team has been continuing to develop the processes to underpin the governance and management of the Fund. This includes further development and refinement of the Fund principles which can now be embedded into the assessment process. The Glasgow Community Planning Partnership has also invested heavily in research collaboration with external partners who are providing ongoing evaluation and research to the change journey.

### **3. Overall conclusion**

- 3.1 We acknowledge that the arrangements being put in place to manage the Fund remain in development as part of the planned approach to develop a new way of tackling child poverty, and these arrangements are being updated in response to emerging insights, feedback and operational experience.
- 3.2 We recognise that initial structures have been established and ongoing work continues to take place to achieve the correct balance in stewardship of public funds under a new approach to the Fund. However, further significant development is still required to ensure the arrangements adequately support the oversight and management of the Fund and provide a solid foundation for the programme's governance.

3.3 Internal Audit will undertake a further review of the arrangements as these progress.

#### 4. Recommendation

4.1 Management should develop a formal action plan to address the gaps and improvement areas identified through our review alongside any other areas of improvements management have identified. This will include ensuring:

- The governance arrangements to be followed are clearly documented, and that guidance around roles and responsibilities of those involved in the process has been developed. This including the development and agreement of clearly defined approval routes and alignment with the SOD. If appropriate, roles and responsibilities of those involved in the process should be reviewed to ensure they are fit for purpose, and these should be documented once agreed.
- Robust audit trails are in place to evidence the project assessment and decision-making process. This should include the validation of project proposals and evidence to substantiate how the project aligns to the overarching principles adopted for the Fund.
- Evidence of decisions taken / actions identified through the various governance meetings are appropriately documented and retained for future inspection.
- Clear monitoring and scrutiny protocols are established for project managers to follow.
- There is an alignment between payment arrangements and the delivery of project outcomes. The rationale / basis for releasing the payment should be clearly documented for cases where the payment was not directly aligned to the delivery of project outcomes and this should be subject to appropriate review / approval.
- Robust risk management arrangements are in place and being followed.
- A formal process is established for the periodic reconciliation of financial records, with all reconciliations subject to review and approval. Consideration should be given to streamlining financial monitoring records to enhance their suitability for effective scrutiny and review.
- A suitable performance monitoring and reporting framework is introduced to support the assessment and reporting of project and / or programme outcomes.
- Lessons learned and opportunities for development are captured and fed back into the decision-making process.

4.2 Actions within the action plan (the plan) should be assigned to a designated officer with clear timelines for implementation. The plan should be subject to ongoing monitoring and review by management and reported to the relevant Board / Committee as required.

4.3 The audit has been undertaken in accordance with the Global Internal Audit Standards in the UK public sector.

4.4 We would like to thank officers involved in this audit for their cooperation and assistance.

4.5 It is recommended that the Head of Audit and Inspection submits a further report to Committee on the implementation of the action contained in the attached Action Plan.

## 4 Action Plan

| No.   | Observation and Risk  | Recommendation   | Priority    | Management Response   |
|---|---|--|-------------|---|
| <b>Key Control:</b> Appropriate governance structures are in place to support the oversight and management of the Fund. |   |  |             |   |
| 1   | <p>We recognise that the arrangements being put in place to manage the Fund remain in development and that these are being updated in response to emerging insights, feedback and operational experience.</p> <p>Whilst initial structures have been established, further development is needed to ensure they adequately support decision making and provide a solid foundation for the programme's governance. Without this, there is an increased risk that the programme / projects are not being appropriately governed and may not withstand scrutiny or challenge.</p> | <p>Management should develop a formal action plan to address the findings noted in the report, and any other areas of improvement management have identified. This will include ensuring:</p> <ul style="list-style-type: none"> <li>Governance arrangements to be followed (including approval routes and alignment with the SOD) are clearly documented and guidance around roles and responsibilities of those involved in the process has been developed. If appropriate, roles and responsibilities of those involved in the process should be reviewed to ensure they are fit for purpose, and these should be documented once agreed.</li> <li>Robust audit trails are in place to demonstrate the project assessment and decision-making process followed. This should include the validation of project data/values prior to submission to CSEG and evidence to substantiate how the project aligns to the overarching principles adopted for the Fund.</li> <li>Evidence of decisions taken/actions identified through the various governance meetings are appropriately documented and retained for future inspection.</li> </ul> | <b>High</b> | <p><b>Response:</b> Accepted.</p> <ul style="list-style-type: none"> <li>The current Chief Executive Department (CED) service reform is restructuring the FIT section to integrate strategic planning, governance and operational delivery with other areas of the department. This will create a Programme Management Office to reflect the evolution of the Child Poverty work from an exploratory Pathfinder to a fully-fledged Programme. The PMO will be integrated with the council's corporate governance team which will integrate risk management, performance monitoring and other assurance mechanisms with the wider CED processes. The WFEIF will be allocated to project areas, and the financial management, project management and risk management will be governed by the Programme Management Officer (PMO). The management structure is changing from a</li> </ul> |

| No. | Observation and Risk | Recommendation  | Priority | Management Response   |
|-----|----------------------|---|----------|---|
|     |                      | <ul style="list-style-type: none"> <li>• Clear monitoring and scrutiny protocols are established for project managers to follow.</li> <li>• There is an alignment between payment arrangements and the delivery of project outcomes. The rationale/basis for releasing the payment should be clearly documented for cases where the payment was not directly aligned to the delivery of project outcomes and should be subject to appropriate review/approval.</li> <li>• Robust risk management arrangements are in place and being followed.</li> <li>• A formal process is established for the periodic reconciliation of financial records, with all reconciliation subject to review and approval. Consideration should be given to streamlining financial monitoring records to enhance their suitability for effective scrutiny and review.</li> <li>• A suitable performance monitoring and reporting framework is introduced to support the assessment and reporting of project and/or programme outcomes.</li> <li>• Lessons learned and opportunities for development are captured and fed back into the decision-making process.</li> </ul> |          | <p>workstream, project based one to a structure with robust line management and clear delegated authority, and robust oversight of a complex multi-agency delivery mechanism by newly created Public Service Reform governance structures both within the council family and as part of the refreshed Glasgow Community Planning Partnership governance arrangements.</p> <ul style="list-style-type: none"> <li>• The Appropriate governance documentation as highlighted in the recommendation shall be developed and updated and rolled out to the appropriate managers and revised regularly. Outcomes of validation, evaluation and gateway review stages will be clearly documented.</li> <li>• Risk register and issues log are now embedded within project management reporting templates and will be adopted by the PMO for Programme wide monitoring.</li> <li>• Financial records management documentation shall be updated to reflect this recommendation.</li> </ul> |
|     |                      | <p>Actions should be assigned to a responsible officer with a timeline for completion to ensure they are actively managed. Progress against</p>   |          |   |

| No. | Observation and Risk | Recommendation  | Priority | Management Response  |
|-----|----------------------|---|----------|--|
|     |                      | the plan should be monitored and reported to the relevant Board and/or Committee as required. |          | <ul style="list-style-type: none"> <li>• The Programme and the associated allocation of the WFEIF will be performance monitored by the new GCPP Performance Management Framework which commits the council to a series of city-wide measures in collaboration with the Scottish Government and Community Planning partners.</li> <li>• The Programme shall continue to capture learning and evaluation via a dedicated team and using external expertise to provide expert assurance.</li> </ul> <p><b>Officer Responsible for Implementation:</b></p> <p>Head of Service, Financial Inclusion &amp; Transformation Team.</p> <p><b>Timescales for Implementation:</b></p> <p>30 November 2026</p> |