GLASGOW CITY COUNCIL INTERNAL AUDIT SECTION

COMMITTEE SUMMARY

Item 2(n)

28th September 2022

Title of the Audit: Financial Services – Scottish Welfare Fund

1. Introduction

1.1 As part of the agreed Internal Audit plan we have carried out a review of Scottish Welfare Fund (SWF).

1.2 The SWF is a discretionary scheme administered by local authorities and designed to help families and individuals in Scotland who are on low incomes through Crisis Grants (CG) and Community Care Grants (CCG). In addition, from 12 October 2020, the Scottish Government committed to provide a Self-Isolation Support Grant (SISG) of £500 to workers who earn less than the Real Living Wage or are on a low income, and who will experience reduced earnings as a result of having to self-isolate during the Covid-19 pandemic. From the 01 May 2022 the SISG has been reduced to £225.

1.3 Since the beginning of the pandemic there has been an increase in the uptake of CG and a high volume of applications for SISG have been received. Prior to the pandemic there was a fraud control in place for CCG where the Corporate Fraud and Investigating (CFI) team would where possible investigate potential false claims. However, these visits or investigations were unable to take place throughout the pandemic due to the requirement of the CFI team to enter people's homes. The visits have now resumed.

1.4 The scope of the audit was to ensure there are sufficient and appropriate controls in place for the SWF, including the changes that have taken place to the fund, such as the increase in uptake and introduction of SISG. The scope of the audit included:

- Review communications from Scottish Government in relation to SWF and confirm that these have been. communicated to staff and applied to the process.
- Reviewing procedures for SISG and ensure these are available to staff.
- Confirm how staff are kept up to date with legislative changes that impact SISG and how this is incorporated in the process.
- Reviewing a sample of applications to ensure the correct decision was made in line with the guidance at the time and
- Ensuring that during periods where the CFI team could not take referrals, due to the pandemic, that other appropriate action was taken.
- Carry out data integrity checks on data sets available to highlight inconsistencies / trends for further investigation

2. Audit Opinion

2.1 Based on the audit work carried out a reasonable level of assurance can be placed upon the control environment. The audit has identified some scope for improvement in the existing arrangements and one recommendation which management should address.

3. Main Findings

3.1 We are pleased to report that the key controls are in place

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and generally operating effectively. There are sufficient and appropriate documented procedures in place covering SWF applications which are readily available to relevant staff.

3.2 Throughout the pandemic changes to the guidance for reviewing SWF applications from Scottish Government (SG) were communicated quickly and effectively to all relevant staff. Existing and redeployed staff received sufficient and appropriate training to implement changes that the SG communicated.

3.3 Processes for making payments include suitable controls including, segregation of duties for making payments to applicants and monitoring awards from the SWF. System controls are in place, capping SISG payments at £500 and CG payments at £400. Any CG payments higher than £400 require additional authorisation.

3.4 Data integrity checks ensured that no duplicate SISG were issued to applicants out with statutory guidelines. We were informed that delays detected between the application date and payment date for both CG and SISG were due to a CAPITA system issue and the backlog of applications SWF received.

3.5 We reviewed a sample of 20 CG awards and 20 SISG awards and found all payments were correct amount and made in line with processes/legislative changes. Decisions to decline applications were in line with processes and appropriate for all relevant cases within the sample.

3.6 CFI home visits for CCG were not permitted due to restrictions. We were advised that most CCG applications are supported by the applicants social worker/housing provider. Arrangements for referring cases to the CFI team have now resumed.

3.7 A pragmatic and flexible approach was taken to dealing with the awards process due to the difficulties faced by applicants throughout the pandemic. However, our audit testing found that there was an area for improvement.

3.8 System decision notes for individual applications, held on CAPITA, should follow a standard template to form a compendious decision summary. However, instances were identified through our sample testing where relevant information was missing (e.g., qualifying criteria, confirmation of relevant checks).

3.9 An action plan is provided at section four outlining our observations, risks and recommendations. We have made 1 recommendation for improvement. The priority of the recommendation is:

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Priority	Definition	Total
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	0
Medium	Less critically important controls absent, not being operated as designed or could be improved.	1
Low	Lower level controls absent, not being operated as designed or could be improved.	0
Service Improvement	Opportunities for business improvement and/or efficiencies have been identified.	0

3.10 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.

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

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

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No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Decision makers include all relevant information within the decision note.				
1	We reviewed a sample of 20 CG applications and 20 SISG applications received between October 2021 and December 2021. System decision notes for individual applications should follow a standard template. We found the following: • For seven CG applications the decision note did not include the guidance applied for reaching the award decision. • For one CG application the decision note did not include the crisis reason. • For one CG application, although verification of bank details was confirmed by the auditor, it was not recorded within the decision note. • For one CG application, although confirmation of applicant residency in GCC was observed by the auditor, it was not confirmed within the decision note.	Financial Services management should remind all staff of the importance of completing a detailed decision note to ensure that a full audit trail is maintained and can be used to assist reviewers with appeals.	**Medium**	**Response:** Accepted **Officer Responsible for Implementation:** Service Delivery Manager (SWF) **Timescale for Implementation:** 28 September 2022

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	• For one CG application the decision note stated guidance applied for a declined decision as 7.7 (anticipated need) when the guidance applied should have been 5.4 stage 1 (not a GCC resident). This increases the risk that information is not readily available, causing delays with appeal decisions and providing previous decision information requested by the Ombudsman.			