



Internal Audit Report
Housing & Community Care – Finance & Support Services
Scottish Welfare Fund
13-14
March 2014

Final Report

Chief Executive's Service
Finance Division
Perth & Kinross Council
2 High Street
Perth PH1 5PH

Background and Introduction

This audit was carried out as part of the audit plan for 2013/14, which was approved by the Audit Committee on 27 March 2013.

Following the abolition of the Discretionary Social Fund, the Department for Work and Pensions transferred funding for Community Care Grants and Crisis Loans to the Scottish Government from April 2013. Scottish Ministers agreed with the Convention of Scottish Local Authorities that local councils would deliver the social fund successor arrangements called the Scottish Welfare Fund on an interim basis for a period of approximately 2 years. A longer term arrangement will be informed by a review of the interim arrangements.

Eligibility for the scheme takes the existing Social Fund rules as a starting point. The Scottish Welfare Fund is made up of 2 grant streams;

- Crisis Grant - intended to provide a safety net in an emergency when there is an immediate threat to health and safety;
- Community Care Grants – to enable independent living or continued independent living, preventing the need for institutional care.

Acknowledgements

Internal Audit acknowledges with thanks the co-operation of the Welfare Rights team within Housing & Community Care's Revenues, Benefits and Welfare Rights Service.

Control Objectives and Opinions

This section describes the purpose of the audit and summarises the results. A 'control objective' is a management objective that requires the maintenance of adequate and effective internal controls to ensure that it is achieved. Each control objective has been given a rating describing, on the basis of the audit work done, the actual strength of the internal controls found to be in place. Areas of good or poor practice are described where appropriate.

Control Objective 1: To verify the adequacy of procedures relating to the Scottish Welfare Fund (SWF)	
<p>Auditor's Comments:</p> <p>The SWF Guidance, the SWF Decision Makers Guide, and the SWF Guidance Manual 2013/14 were issued by the Scottish Government and were approved by the Revenues & Benefits Service Manager. This guidance sets out the local arrangements to support the delivery of the SWF within the Council.</p> <p>The Council's quality audit procedures require the Senior Welfare Fund Officer to carry out random quality checks on a monthly basis for each Welfare Fund Assessment Officer of 3 Community Care Grant applications and 3 Crisis Grant applications. The auditor tested a sample of these checks and confirmed that they were being carried out on a regular basis and were appropriately recorded.</p>	
Strength of Internal Controls:	Strong

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Control Objective 2: To ensure that staff are appropriately protected in their customer facing role.	
<p>Auditor's Comments:</p> <p>The SWF Guidance Manual 2013/14 underlines the importance of protecting the health and safety of employees. The review highlighted numerous safety measures in place ensuring a high level of protection from potential hazardous situations. These include the implementation of the Welfare Rights & SWF Lone Working policy.</p> <p>SWF staff training records held on SharePoint were reviewed, confirming that the relevant staff had received mandatory conflict resolution training, as per Scottish Government guidelines.</p>	
Strength of Internal Controls:	Strong

Control Objective 3: To ensure that financial monitoring of the SWF is effective.	
<p>Auditor's Comments:</p> <p>The Senior Welfare Officer monitors the SWF expenditure against budget regularly as part of the key monitoring information provided to Housing and Community Care senior management. SWF budget monitoring information is provided to the Scottish Government on a monthly and quarterly basis.</p> <p>The review found that the monitoring and supervision procedures in place are appropriate for ensuring that grant funding is awarded in accordance with procedures and recorded accurately in the financial ledger. In addition there was evidence to show that budget holders were assessing the demand pattern of activity against budget.</p>	
Strength of Internal Controls:	Strong

Control Objective 4: To ensure that there is adequate segregation of duties.	
<p>Auditor's Comments:</p> <p>Testing of controls confirmed that there is a separation of duties between completing applications, assessing applications and making payments.</p>	
Strength of Internal Controls:	Strong

Management Action and Follow-Up

Responsibility for the maintenance of adequate and effective internal controls rests with management.

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Management should ensure that the relevant risk profiles are reviewed and updated where necessary to take account of the contents of Internal Audit reports. The completeness of risk profiles will be examined as part of Internal Audit's normal planned work.

Feedback

Internal Audit welcomes feedback from management, in connection with this audit or with the Internal Audit service in general.

Distribution

This report has been distributed to:

B Malone, Chief Executive

J Walker, Executive Director, Housing & Community Care

J Symon, Head of Finance

A Taylor, Head of Finance & Support Services;

L Brady, Revenues & Benefits Service Manager

N Sutherland, Team Leader (Welfare Rights)

G Taylor, Head of Democratic Services

P Dickson, Complaints & Governance Officer

External Audit

Authorisation

The auditor for this assignment was J O'Connor. The supervising auditor was M Morrison.

This report is authorised for issue:

Jacqueline Clark
Chief Internal Auditor
Date: 28 March 2014