

Final Internal Audit Report

Unaccompanied Asylum Seeking Children (UASC) – National Transfer Scheme and Pan London Rota

September 2018

Distribution: Interim Executive Director of Children, Families and Education (Final only)
 Interim Director Early Help and Children’s Social Care
 Head of Looked After Children and Placements
 Service Lead, Permanence 1 Service

Assurance Level	Recommendations Made	
Limited Assurance	Priority 1	1
	Priority 2	0
	Priority 3	1

Status of Our Reports

This report (“Report”) was prepared by Mazars Public Sector Internal Audit Ltd at the request of London Borough of Croydon and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

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Please refer to the Statement of Responsibility in Appendix 3 of this report for further information about responsibilities, limitations and confidentiality

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1. Introduction

- 1.1 Unaccompanied Asylum Seeking Children (UASC) are children or young people who are seeking asylum without the presence of a legal guardian. The Council has a duty to assess such children under section 17 of the Children Act 1989 and also accommodate them under section 20.
- 1.2 A National Transfer Scheme (NTS) was introduced for UASC in July 2016. The purpose of NTS is to ensure that responsibility for UASC is distributed fairly across the United Kingdom, so that no individual local authority has UASC exceeding 0.07% of its total child population.
- 1.3 Croydon Council is the lead authority for the Pan London Rota, which aims to achieve a fair distribution of UASC in London. The Council places children in emergency accommodation for up to five days before transferring them to other London authorities.
- 1.4 This audit is being undertaken as part of the Internal Audit Plan for 2017/18, as agreed by the Council's General Purposes and Audit Committee
- 1.5 The objectives, methodology and scope are contained in the Audit Terms of Reference at Appendix 1.

2. Key Issues

Priority 1 Issue

The average time elapsing between the submission of a transfer request to the Home Office under the National Transfer Scheme (NTS) and the implementation of the transfer request significantly exceeded the expected time stated in the NTS Protocol. **(Issue 1)**

The Priority 3 issue is under item 4 below.

3. Actions and Key Findings/Rationale

Control Area 4: National Transfer Scheme – Transfer Timescales	
Priority	Action Proposed by Management
1	<p>Council managers will continue to engage at all levels with the Home Office to pursue the effective implementation of the National Transfer Scheme (NTS). Where delays in transfer occur these will be challenged on an individual basis and at a strategic level delays will be monitored so that ELT and Members can be kept informed of the overall picture.</p>
	<p>Detailed Finding/Rationale – Issue 1</p> <p>The National Transfer Scheme (NTS) was created in 2016 to enable the safe transfer of unaccompanied asylum seeking children (UASC) from one local authority to another authority, in order that no local authority is required to look after more UASC than 0.07% of its total child population. The NTS Protocol states that a transfer should be confirmed by the receiving authority within ten working days (although there is no target for the number of days between confirmation of a transfer and the physical transfer of the child).</p> <p>As at 11th May 2018, the NTS tracker record of transfers requested by Croydon but not yet implemented consisted of 32 cases. It was established that in 17 cases the transfer request was made to the Home Office more than two months previously, and in seven cases the transfer request was made to the Home Office more than three months previously. The issue of delayed transfers appears to be common throughout the country; for example the Refugee Children's Consortium identified the issue in its 'Briefing on the National Transfer Scheme' (August 2017). It is noted that many local authorities which have received children under the NTS have now reached the 0.07% threshold (see above) and are not accepting further transfers.</p> <p>It is acknowledged that this issue has been raised with the Home Office and that discussions are ongoing.</p> <p>While the Council is provided funding for each of the UASC, this funding does not cover the full cost of each UASC. (A report by East Midlands Councils was that, 'In summary, the analysis has established the regional average 'UASC cost' to local authorities in the East Midlands of £55,194 per annum, against the weighted average Home Office reimbursement of £30,231.'). Furthermore, the UASC awaiting transfer tend to be more costly, being placed in more expensive short</p>
Responsible officer	Deadline
Head of Looked After Children and Placements	Ongoing

		<p>term accommodation. The accumulated cost to the Council for each month that these UASC are not transferred is thus significant.</p> <p>Where transfers of UASC under the National Transfer Scheme are not implemented in a timely manner, there is a risk that Croydon will continue to have a disproportionate responsibility in accommodating and looking after UASC.</p>
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4. Priority 3 Issue

Action Proposed by Management	Findings
<p>1) The tracking process for NTS cases will be reviewed with the assistance of the performance team to strengthen visibility of compliance with prompt notification and allow for more robust reporting of all cases that are in process.</p>	<p>The NTS tracker record requires the date on which the transfer request was made to the Home Office to be entered for each case.</p> <p>Examination of the NTS tracker record for transfers not yet implemented on 11th May 2018 identified that the date on which the transfer request was made to the Home Office had not been entered for four out of 32 cases.</p> <p>Where the NTS tracker record is not fully completed, there is a risk that performance information derived from the tracker may be incomplete or unreliable.</p>

TERMS OF REFERENCE

Unaccompanied Asylum Seeking Children (Limited Scope)

1. INTRODUCTION

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- 1.4 This audit is being undertaken as part of the Internal Audit Plan for 2017/18, as agreed by the Council's General Purposes and Audit Committee.

2. OBJECTIVES AND METHOD

- 2.1 The overall audit objective is to provide an objective independent opinion on the adequacy and effectiveness of the control environment relating to Unaccompanied Asylum Seeking Children.
- 2.2 In order to achieve the overall objectives, a risk based systems audit approach will be carried out, documenting and evaluating the actual controls against those expected and based on this, undertaking appropriate testing conducted.
- 2.3 The key findings, conclusions, and subsequent recommendations arising will be presented at an exit meeting, followed by the circulation of a draft report for consideration by management, prior to agreement and issue of the final audit report.

3. SCOPE

- 3.1 The audit included the following areas:

Control Areas/Risks	Issues Identified		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
NTS – Policies and Procedures	0	0	0
NTS – Transfer Requests and Acceptances	0	0	0
NTS – Preparations for Transfers	0	0	0
NTS – Transfer Timescales	1	0	1





UASC 2017/18 (NTS and Pan London Rota)

Pan London Rota – Policies and Procedures	0	0	0
Pan London Rota – Emergency Placements	0	0	0
Pan London Rota – Rota Referrals	0	0	0
TOTAL	1	0	1

DEFINITIONS FOR AUDIT OPINIONS AND RECOMMENDATIONS

In order to assist management in using our reports:

We categorise our **audit assurance opinion** according to our overall assessment of the risk management system, effectiveness of the controls in place and the level of compliance with these controls and the action being taken to remedy significant findings or weaknesses.

	Full Assurance	There is a sound system of control designed to achieve the system objectives and the controls are consistently applied.
	Substantial Assurance	While there is basically a sound system of control to achieve the system objectives, there are weaknesses in the design or level of non-compliance which may put this achievement at risk.
	Limited Assurance	There are significant weaknesses in key areas of system controls and/or non-compliance that puts achieving the system objectives at risk.
	No Assurance	Controls are non-existent or weak and/or there are high levels of non-compliance, leaving the system open to the high risk of error or abuse which could result in financial loss and/or reputational damage.

Priorities assigned to recommendations are based on the following criteria:

Priority 1 (High)	Fundamental control weaknesses that require the immediate attention of management to mitigate significant exposure to risk.
Priority 2 (Medium)	Control weakness that represent an exposure to risk and require timely action.
Priority 3 (Low)	Although control weaknesses are considered to be relatively minor and low risk, action to address still provides an opportunity for improvement. May also apply to areas considered to be of best practice.

STATEMENT OF RESPONSIBILITY

We take responsibility to the London Borough of Croydon for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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