ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	20 February 2025
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Internal Audit Report AC2504 – Resettlement Governance
REPORT NUMBER	IA/AC2504
DIRECTOR	N/A
REPORT AUTHOR	Jamie Dale
TERMS OF REFERENCE	2.2

1. PURPOSE OF REPORT

1.1 The purpose of this report is to present the planned Internal Audit report on Resettlement Governance.

2. RECOMMENDATION

2.1 It is recommended that the Committee review, discuss and comment on the issues raised within this report and the attached appendix.

3. CURRENT SITUATION

3.1 Internal Audit has completed the attached report which relates to an audit of Resettlement Governance.

4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising from the recommendations of this report.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations of this report.

6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

7.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. Recommendations, consistent with the Council's Risk Appetite Statement, are made to address the identified risks and Internal Audit follows up progress with implementing those that are agreed with management. Those not implemented by their agreed due date are detailed in the attached appendices.

8. OUTCOMES

8.1 There are no direct impacts, as a result of this report, in relation to the Council Delivery Plan, or the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place.

8.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council's framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	An assessment is not required because the reason for this report is for Committee to review, discuss and comment on the outcome of an internal audit. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
Privacy Impact Assessment	Not required

10. BACKGROUND PAPERS

10.1 There are no relevant background papers related directly to this report.

11. APPENDICES

11.1 Internal Audit report AC2504 – Resettlement Governance

12. REPORT AUTHOR CONTACT DETAILS

Name	Jamie Dale
Title	Chief Internal Auditor
Email Address	Jamie.Dale@aberdeenshire.gov.uk
Tel	(01467) 530 988

Internal Audit

Assurance Review of Resettlement Governance

Status: Final

Date: 14 December 2024

Risk Level: Function

Report No: AC2504

Assurance Year: 2024/25

Net Risk Rating	Description	Assurance Assessment
Moderate	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited.	**Reasonable**

Report Tracking	Planned Date	Actual Date
Scope issued	24-Jun-24	24-Jun-24
Scope agreed	28-Jun-24	28-Jun-24
Fieldwork commenced	05-Jul-24	28-Jun-24
Fieldwork completed	19-Jul-24	26-Sep-24
Draft report issued	26-Jul-24	03-Oct-24
Process owner response	09-Aug-24	13-Dec-24
Director response	16-Aug-24	13-Dec-24
Final report issued	23-Aug-24	14-Dec-24
Audit Committee	20-Feb-25	

Distribution	
Document type	Assurance Report
Director	Eleanor Sheppard – Executive Director – Families and Communities
Process Owner	Gill Strachan – Intervention Hub Manager
Stakeholder	Jacqui McKenzie – Chief Officer - Housing
	Sheona Bell – Refugee Manager
	Vikki Cuthbert, Acting Chief Officer - Governance*
	Jonathan Belford, Chief Officer - Finance*
*Final only	External Audit*
Lead auditor	Phil Smith - Auditor

1 Introduction

1.1 Area subject to review

Under the 1951 Refugee Convention, and its 1967 Protocol, the United Nations High Commissioner for Refugees (UNHCR) helps protect and assist refugees and other vulnerable individuals through resettlement services. Aberdeen has had ongoing involvement in resettlement schemes and initiatives since 2016, and over 2,000 refugees, asylum seekers and displaced people have been resettled in the city since then. The resettled population in Aberdeen has increased ten-fold since 2022, largely due to international conflict.

The UK Government Home Office provides local authorities with financial support and guidance to plan, organise and deliver UNHCR resettlement schemes for refugees, displaced persons and asylum seekers coming into the UK.

Aberdeen City Council administers resettlement schemes on behalf of the Home Office, Ministry of Defence, Ministry of Housing, Communities and Local Government and the Scottish Government. This has involved the arrangement of temporary accommodation in Hotels, Council Housing, with Private and Social landlords, and with sponsors across the City through different resettlement schemes and initiatives (see Appendix 2).

The Council was one of only three Scottish local authorities that supported temporary Bridging Accommodation for Afghans fleeing Kabul in 2021. In 2022, a further 13 temporary premises (11 hotels and 2 units) were secured by the Scottish Government for Ukrainians who arrived under resettlement schemes. The last of these hotels closed in April 2024. The Council also received £6m of Scottish Government Ukraine Long-Term Resettlement Funding with which it upgraded 500 Council homes, increasing the capacity to offer homes to displaced Ukrainian individuals from across the UK to resettle in the City and reduce reliance on temporary accommodation.

The Intervention Hub Manager oversees the delivery of resettlement schemes and is assisted by the Refugee Project Manager. Around 20 Resettlement and Development team leaders and workers are involved in the work, and staff from Building Services, Primary Care, Employability & Skills, Adult Learning, and Community Learning also have input. Business Services administration and Finance staff also provide support.

1.2 Rationale for the review

Resettlement scheme governance has not been audited previously in the Council but is identified as a risk due to its complexity and wider impact on local services.

Increasing world conflict and adverse natural events can develop at relatively short notice and although fully funded, resettlement schemes place significant pressure on local authorities, as conduit and co-ordinator, and services (including non-Council) which help positive resettlement outcomes to be achieved. Rapid changes have had to be made to systems, processes, and resources to meet the challenges of this scale and pace of change. These are widespread and diverse, and procedures are at varying stages of development.

Home Office claims, 'Welcome Payments' to refugees, and 'Thank You Payments' to sponsors need to be correct and timeous and require a robust framework of controls which ensures Home Office Funding Instructions are complied with. Funding must be used in a way whereby national security, the wellbeing of individuals and communities, and value for the taxpayer is achieved. Support provided should meet housing, health and wellbeing needs and provide signposting for employability, education, language development and community integration.

As at 31 March 2024, the Resettlement Reserve fund balance was £14.9 million and service staffing has increased to 22 employees.

The purpose of this review is to ensure that procedures regarding the Council's responsibilities in relation to the resettlement of refugees, specifically the financial costs, are operating effectively, and [to consider] any wider impacts on other services delivered by the Council.

1.3 How to use this report

This report has several sections and is designed for different stakeholders. The executive summary (section 2) is designed for senior staff and is cross referenced to the more detailed narrative in later sections (3 onwards) of the report should the reader require it. Section 3 contains the detailed narrative for risks and issues we identified in our work.

2 Executive Summary

2.1 Overall opinion

The full chart of net risk and assurance assessment definitions can be found in Appendix 1 – Assurance Scope and Terms. We have assessed the net risk (risk arising after controls and risk mitigation actions have been applied) as:

Net Risk Rating	Description	Assurance Assessment
Moderate	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited.	Reasonable

The organisational risk level at which this risk assessment applies is:

Risk Level	Definition
Function	This issue / risk level has implications at the functional level and the potential to impact across a range of services. They could be mitigated through the redeployment of resources or a change of policy within a given function.

2.2 Assurance assessment

The level of net risk is assessed as **MODERATE**, with the control framework deemed to provide **REASONABLE** assurance over the Council's procedures in relation to the resettlement of refugees.

A Resettlement Team is in place, with a clear operational remit, a variety of procedures to apply, and support is provided by Finance, Business Administration and officers from across the Council's core services.   Through their work, refugees and asylum seekers are being supported from arrival in Aberdeen through their integration journey. A variety of funding sources are available and are being claimed in support of the Team's integration support activities.

The Council has had to develop its own solutions in the absence of a national system for managing refugee and asylum cases, in response to rapidly changing levels of demand from a variety of integration schemes, each with their own requirements. The volume of refugee arrivals initially made this a significant challenge, however improved processes and controls have been put in place to tighten control, particularly over cash payments which are now subject to more robust record keeping, checks, authorisation and collection processes.

The review identified some areas where the framework of control could be enhanced to provide further assurance, specifically:

- **Strategy** – The need for an up to date strategy is identified in the service's Risk Register and was due to be finalised by May 2024. Work has been done; however, it was not possible to complete this task pending review and publication of revised national strategy and associated guidance, which has now been published. Decisions have still to be made on content and format, and the timescales and arrangements for approval within and between the Council and wider strategic partners. Until there is clarity on direction and purpose, there is a risk to continued strategic alignment, with a resulting impact on delivery and outcomes.

- **Management and Performance Reporting** – Although highlights, risks and issues are shared with the Strategic Partnership Group and the Council's management boards as and when required, and ad-hoc reports have been compiled for various purposes, there is no regular Committee reporting or formal review of performance data, to provide consistent ongoing assurance over delivery.

- **Wider Impact** – No clear methodology of identifying, measuring and costing the wider impacts of resettlement on core services has been established. The combined risks and costs relating to resettlement are not currently being recorded, reported, and opportunities being provided to

act on them at a corporate level. A holistic view is required to consider the risks and benefits to 'business as usual' activities.

- **Resource Planning** – At the start of the year there was £14.9 million held in reserves earmarked for resettlement and integration. Various sources of funding contribute to the ongoing work of the Resettlement Team. Decision making on use of funds has to date been largely driven by ad-hoc demand, and Chief Officer review and approval. Governance and distribution mechanisms for the funds held in reserve have not been determined. This could delay, or reduce assurance over the consistency and quality of, the decision-making process for distributing funds. The scope and extent, and forecast costs and income, for the future of the resettlement team have also yet to be determined.

- **Roles, Responsibilities, and Written Procedures** – Service procedures have developed as service delivery requirements have changed and processes have become more established. Written guidance and flow charts appear comprehensive but are numerous, and the interrelationships and interactions between different parts of the council covering all of the different schemes and any variations have not been fully mapped. If there is ambiguity over case management and financial controls for example, there is an increased risk of fraud or error.

- **Case Management and Financial Control** – A need for data management improvements has been identified by the service and a plan is being implemented, but the timescale for doing so has yet to be confirmed. There is a lack of consistent data to demonstrate that all and only supported individuals are benefiting from the support and payments available from the service.

It is acknowledged that the service operates in a dynamic environment with changes and requirements often outwith with the Council's direct control. The need to remain flexible and adaptive is recognised, and the recommendations made in this report have been made with a view to supporting, rather than being prescriptive, in the continued evolution of processes and controls. A clear framework aligning delivery with strategic objectives, and regular review of their delivery and wider implications, would provide assurance as well as opportunities for adjustment and realignment as and when required. This needs to be supported by relevant data.

Recommendations have been made for concluding drafting and approval of strategy, and the development of structured reporting arrangements to align with and support overall governance of this area. Reporting also needs to be developed to cover risk, cost and capacity, within wider council services. Governance arrangements for use of funding need to be agreed, and plans need to be developed for sustainability, mainstreaming, or final exit from, resettlement processes at a service and Council level within the scope of anticipated available funding, over the medium term. Interactions and responsibilities at the operational level need to be mapped to provide visibility and assurance over case management and financial controls. A timeline for implementing system/data improvements needs to be determined and actioned, and consideration needs to be given to how the service can better demonstrate attribution of activities and costs at a service user level.

2.3 Management response

The Service welcomes this report and the accompanying recommendations.

The consideration of the dynamic and changing environment within which the Service operates and external pressures often applied at pace and out with the control of ACC, is appreciated, as is the corporate nature of the response required when large scale migration occurs.

The Resettlement Programme's varying funding models and the constraints attached to them, the mandatory nature of asylum dispersal, the increasing level of demand for resettlement services alongside the wider pressures affecting public services all impact on the risks and challenges presented to the Council and partners. There is no indication that this level of uncertainty will abate and it is therefore assumed that the working and funding landscape will remain dynamic.

A response to each of the individual recommendations has been provided below, with a recognition these recommendations require cross-service actions.

3 Issues / Risks, Recommendations, and Management Response

3.1 Issues / Risks, recommendations, and management response

Ref	Description	Risk Rating	Moderate
1.1	**Strategy** – As with other local authorities across the UK, Aberdeen has faced the challenges of a rapid influx of displaced persons seeking support and refuge. Aberdeen is currently home to over 2,000 displaced people, this being a ten-fold increase in arrivals over the last three years. The resettlement schemes the Council has or is currently involved in delivering on behalf of Government include:		

The Vulnerable Persons Resettlement scheme (VPRS)	The United Kingdom Resettlement scheme (UKRS)
Afghan Bridging Accommodation	The Afghan Relocation and Assistance Policy (ARAP)
The Afghan Citizens Resettlement Scheme (ACRS1, 2 &3)	Welcome Hub Accommodation for Ukrainian Displaced Persons
The Homes for Ukraine Sponsorship Scheme (HfU)	The Warm Scottish Welcome Super Sponsor Scheme (SSSS)
Contingency Accommodation for Asylum Seekers	Asylum Dispersal
Asylum Refugees	

A Strategic Partnership Group is in place including representatives from the Council, NHS, and Police. The Board meets regularly to share information on progress, priorities and issues relating to resettlement and integration.

In 2019, following a change of Resettlement Team leadership, an Integration Strategy was proposed based on the delivery of a resettlement service to New Scots who arrived under VPRS. However, this was superseded by demands placed on the local authority by new Afghanistan and Ukrainian resettlement schemes, and it was not reviewed or renewed. Aberdeen provided accommodation to many refugees in hotels. Housing has since been allocated through sponsorship arrangements, the private and social housing sectors and following a grant from the Scottish Government for the upgrade of over 500 Council homes. Since the hotels closed and new arrivals are reducing, focus has returned to developing strategy. The impact of COVID-19, and the war in Ukraine, have added to the requirement. The need for a revised strategy is identified in the service's Risk Register and was due to be finalised by May 2024. Work has been done; however it hasn't been possible to complete this task pending review and publication of revised national strategy and associated guidance to provide the necessary framework.

The latest Scottish Government New Scots Refugee Integration Strategy (NSRIS) was published in March 2024 and the NSRIS Delivery Plan published in July 2024. The Service has noted that the draft Aberdeen City Council Resettlement and Asylum Integration Strategy 2025-27 is being considered by the Strategic Partnership Group, to align with NSRIS Outcomes and includes the strategic and operational objectives necessary to deliver these in Aberdeen. A Delivery Plan is also being drafted for sharing with the Strategic Partnership Board to provide direction on how partners might collectively deliver resettlement integration outcomes. Decisions have still to be made on content and format, and the timescales and arrangements for approval within and between the Council and wider strategic partners. Until there is clarity on direction and purpose, there is a risk to continued strategic alignment, with a resulting impact on delivery and outcomes.

Ref	Description	Risk Rating	Moderate
	IA Recommended Mitigating Actions		
	The Service should determine the appropriate governance route for approval of an up-to-date Resettlement and Integration Strategy and Delivery Plan, then ensure these are implemented in line with an agreed schedule.		
	Management Actions to Address Issues/Risks		
	Discussions are ongoing with Partners to determine an appropriate governance route for this workstream.		
	Following discussion with the Executive Director – Families and Communities, the Resettlement and Integration Strategy and Delivery Plan will be renamed as the Resettlement Delivery Programme. The content and actions will remain as agreed with Partners.		
	The governance route will be defined to enable the approval of the Resettlement and Integration Delivery Programme by the due date.		

Risk Agreed	Person(s)	Due Date
Yes	Intervention Hub Manager, Housing	May 2025

Ref	Description	Risk Rating	Moderate
1.2	**Management and Performance Reporting** – The Resettlement Team reports to the Chief Officer - Housing, but due to its multi-faceted nature and complex funding arrangements, a variety of other frontline and support services are involved. There are no specific onward reporting lines from the Cluster in respect of this workstream; although highlights, risks and issues are shared with the Strategic Partnership Group and the Council's Management boards as and when required. There is no regular Committee reporting or formal review of performance data.

Reporting requirements and accountability within the Council beyond the Strategic Partnership Group are not clearly established. This could limit the Council's understanding of the wider impact of resettlement on resource and estate requirements, and of the associated risks. The Council needs to receive regular assurance that its financial resilience and operational preparedness for possible future waves of resettlement can be met, with minimum impact on business continuity.

Information/data is being reported on actions and challenges, but this is on an ad-hoc basis for different purposes. For example, briefing notes are submitted to COSLA (in its role as a UK Strategic Migration Partnership) as required. The Resettlement Team does not have a standard approach to identifying the purpose, occasion, date, author and recipient of other information and updates it provides.

The timing, detail and dissemination of information could impact strategic decision making across the Council in areas such as Housing, Education and Social Care. Clear, well-organised information records should enable the Service to avoid potential duplication of effort in supplying information to the wide range of stakeholders with differing needs.

Setting requirements and outcomes, and a means to consistently measure and report on progress and performance, needs to be considered as part of developing the resettlement and integration strategy and associated delivery plan. | | |

Ref	Description	Risk Rating	Moderate
	IA Recommended Mitigating Actions		
	The Service should develop structured reporting arrangements to provide consistent periodic assurance over performance, service and strategic/programme delivery. Reporting should be aligned with and support the governance route determined through actions at 1.1 above.		
	Management Actions to Address Issues/Risks		
	The Service commits to improving and formalising structured reporting arrangements to monitor the quality and level of strategic and operational support it provides to Refugees and asylum seekers. These arrangements will align with the agreed governance arrangements.		

Risk Agreed	Person(s)	Due Date
Yes	Intervention Hub Manager, Housing	June 2025

Ref	Description	Risk Rating	Moderate
1.3	**Wider Impact** – The Council's Risk Register identifies *'Excessive resettlement and asylum demand and risk of harm'* as one of its key risks. Although the pace of new refugee arrivals is reducing, there remains a risk that the Council and its partners may be unable to provide the appropriate support for asylum seekers who arrive in the city. This could result in NSRIS strategic outcomes not being delivered and individuals' own personal outcomes and integration into the community not being realised. Individuals' health and well-being, their ability to work and provide for their families, and to contribute positively to the community they are in may be affected.		

The Council needs clear assurance that the implications of any significant increase in migration when services are already under pressure is understood and can be managed. For example: new arrivals from other Scottish cities can present as homeless, and housing is already under additional pressure due to the requirement for RAAC decants. In August 2024 the housing regulator cast doubts on Scotland's local authorities' ability to fulfil their legal duty to provide houses. It identified heightened risk of systemic failure at Aberdeen City, and Council has now declared a housing emergency, calling for an "immediate" action plan to address homelessness and inadequate housing. Beyond the pressures on housing, core services including housing support, education, community learning and development, children and families' social work and resettlement support will see a sustained increase in demand for services. There is a significant financial risk of these increased demands not being fully funded. It is vital therefore that services are aware of future resettlement expectations and demonstrate due consideration of these in service planning and any action to be taken to manage pressures which resettlement presents.

Forecasting in cross-service and far-reaching service areas requires an acute awareness and effective co-ordination of the activity of both internal and external stakeholders. The service is attempting to develop data analytics to forecast future demand, and has indicated that it will participate in the UK Government review of cost to local authorities of participation in humanitarian protection schemes. This information is essential to operational and financial planning across a wide range of services. Effective service delivery cost analysis and demand forecasting is needed to ensure operations deliver outcomes which meet individual needs and achieve strategic aims.

A three-year trajectory has been developed to support future strategy development. However, this only considers existing resettlement programmes. Events such as civil war,

Ref	Description	Risk Rating	**Moderate**

international conflict, climate or economic change or natural disasters, and the migration implications are generally unexpected and difficult to predict. Similarly, government response to these events may change over time, e.g. extending the opportunity for some Ukrainians to stay in the UK until September 2026. Those who apply for visa extensions will have the same rights to access work, benefits, healthcare, and education throughout their stay. The impact on the Council as a whole and other strategic partners needs to be understood.

As refugee and asylum volumes fluctuate, the impact on core service budgets and services' capacity to deliver services, be it housing, Education, ESOL provision, primary care or other partner services is not clear. This could lead to *'Aberdeen City Council and its partners being unable to provide appropriate levels of support to people arriving in the city as refugees or asylum seekers'* which is a key risk set out in the Cluster Risk Register.

Mitigations include the service developing a clear strategy and ensuring Governments are aware that Aberdeen services are under significant pressure. Existing and future commitments have been assessed to establish Safe and Legal Route Caps to control new arrival numbers. More stringent checks of arrivals, and their health and well-being are being completed. Financial monitoring is in place and the Strategic Partnership Group provides a forum for collaboration and oversight in order to mitigate resettlement and asylum risk. There is evidence of risk assessment, incident recording, monitoring and risk reporting to some relevant groups.

Despite these risk mitigations, no clear methodology of identifying, measuring and costing the wider impacts of resettlement on core services has been established. The main focus of the Resettlement Team is dealing with new arrivals and providing them with support to move on to becoming self-supporting, or to mainstream services. This activity is funded through per-person tariffs and other specific resettlement and integration funding. If decisions are being made to support further groups of people without regard to the capacity of other services, there is a risk to the level of support which can be provided both to new arrivals and to the communities into which they are integrating. There is limited direct funding available to increase capacity within these services.

The combined risks and costs relating to resettlement are not currently being recorded, reported, and opportunities being provided to act on them at a corporate level. A holistic view is required to consider the risks and benefits to 'business as usual' activities.

IA Recommended Mitigating Actions

The Council should develop risk, cost, and capacity reporting to obtain a holistic view of the potential and ongoing impact of resettlement and integration activities, to factor into future business planning for both integration and core services.

Management Actions to Address Issues/Risks

The service has developed a Trajectory, forecasting potential future resettlement and asylum populations, based on known resettlement streams and potential streams. This includes voluntary as well as mandatory schemes. The Trajectory will be shared with Stakeholders to support their own service as well as collective strategic decision making and resource allocation.

Using the Trajectory, management will create a suitable cost model to support the development of the Medium Term Financial Strategy and Housing Revenue Account 30-Year Business Plan.

The service will work with the Risk Manager to ensure risk management and monitoring mechanisms are appropriate.

Risk Agreed	Person(s)	Due Date

Ref	Description	Risk Rating	Moderate
	Yes	Finance Partner, Finance	July 2025
		Intervention Hub Manager, Housing	July 2025

Ref	Description	Risk Rating	Moderate
1.4	**Resource Planning** – As at 31 March 2024, the Council had £14,914,612 earmarked in its Balance Sheet for provision of resettlement services as follows:		

* Afghan Bridging Accommodation £746,506
* Syrian Refugees (UKRS) £623,220
* Afghan Resettlement Scheme £487,000
* Afghan Funding £1,037,000
* Ukraine Tariff (for Sponsorship, Welcome Hub and Integration Support) £12,020,886
* Government grant income has now also been received for Asylum Dispersal.

The majority of these funds, and recurring income streams in respect of resettlement and integration, are earmarked specifically for integration support. The rules of each scheme vary, and the extent to which each might be used for indirect support (e.g. from mainstream services) has not been fully explored and documented. Decision making on use of funds has to date been largely driven by ad-hoc demand, and Chief Officer review and approval. Governance and distribution mechanisms for the funds held in reserve have not been determined. This could delay, or reduce assurance over the consistency and quality of, the decision-making process for distributing funds.

The scope and extent, and forecast costs and income, for the future of the resettlement team have yet to be determined. At a scheme level, once displaced persons come to the point of self-agency, they are less reliant on resettlement team support and their needs are met via core services and partner organisations. Individuals exit the scheme as they resettle, although Resettlement Workers are still available for advice should the need arise. There are no approved plans to confirm the sustainability or mainstreaming of resettlement processes at a service, and Council, level. Whilst to a degree this is to be expected due to the dynamic environment in which the service operates, it is important that this is captured and aligned with the Council's requirements and strategic intentions.

To manage the impact on resource caused by significant changes in demand, and to respond appropriately where Government policy, resettlement schemes and the flow of funding changes, the Resettlement Team has never been made permanent. Were notification of a scheme closure received, service staffing can be adjusted relatively quickly due to the use of temporary contracts. There is a risk of higher staff turnover where there is uncertainty over job security. However, various extensions have been agreed, and some staff have been in place since 2016. Where staff have been in post for extended periods, additional costs (e.g. redundancy pay) might apply if their contracts are terminated, regardless of the 'temporary' status of the post. Whilst funds are available now, future income streams and expenditure requirements need to be factored in to future planning, including a contingency for changes in staffing requirements, and an exit plan in the event of a separate team no longer being required.

IA Recommended Mitigating Actions

The Service should map funding constraints and determine appropriate and proportionate governance and distribution mechanisms.

Ref	Description	Risk Rating	Moderate

The Service should plan for sustainability, mainstreaming, or final exit from, resettlement processes at a service and Council level within the scope of anticipated available funding, over the medium term.

Management Actions to Address Issues/Risks

Management will prepare a plan for the appropriate use and distribution of the Asylum and Resettlement funding streams. Over time, this would be refined / updated based on the Trajectory, cost and changes to the various schemes.

Risk Agreed	Person(s)	Due Date
Yes	Finance Partner, Finance	July 2025

Ref	Description	Risk Rating	Moderate
1.5	**Roles, Responsibilities, and Written Procedures** – The Intervention Hub Manager oversees Resettlement and Asylum from a strategic perspective and reports to the Chief Officer - Housing. They attend various local and national groups to benchmark and develop the Council's practice. The Refugee Project Manager has an operational focus which aims to enhance the social and economic integration of refugees through education, employment, and community engagement. They manage the resettlement team which has 20 staff in total. Two teams of Resettlement workers are led by team leaders who each have a different focus: one being case management and support, and the other to support Hosts, coordinate applications, develop systems for this and to facilitate movement into the '500 property project'. Staff from Building Services, Primary Care, Employability & Skills, Adult Learning and Community Learning assist Resettlement Workers in scheme delivery. The service receives financial and administrative support from the Business Administration section. Roles and responsibilities are clear to those working in the resettlement team, but interactions within the team and with services and partners have evolved with resettlement schemes and demand. Responsibility for the systems, procedures and controls, and matters such as data protection, record keeping, management reporting, and lessons learned processes may not be clear to all involved. Mapping out operational interactions and responsibilities would bring clarity to the demands of resettlement scheme delivery, providing greater assurance over the control framework, and may help identify potential efficiencies. Procedures should always be clear in respect of who they have been prepared for, to what scheme(s) they apply, and when they should be reviewed. Service procedures have developed as service delivery requirements have changed and processes have become more established. They address matters which Resettlement Workers and scheme participants may encounter. Areas such as new arrivals, welcome payments, hosting arrangements and Thank You payments, Visa and disclosure checks, housing processes, options and rights, property suitability guidance and checks. The written guidance and flow charts appear comprehensive but are numerous, and it is not always apparent where they should be applied. It is not always clear what the interactions are between different parts of the council (e.g. finance, business services, customer service, housing, R&I team etc) covering all of the different schemes and any variations. If there is ambiguity over case

Ref	Description	Risk Rating	Moderate

management and financial controls for example, there is an increased risk of fraud or error. New staff may also find it more difficult to gain an adequate appreciation of correct practice.

The Service has commenced a review of existing procedures, to reduce a recognised risk of over-reliance on individual team members' knowledge and experience. Until this is complete there is a risk of written guidance not keeping pace with scheme changes and approved practice which could result in correct protocol not being followed.

IA Recommended Mitigating Actions

The Service should map interactions and responsibilities to provide visibility and assurance over controls, particularly in respect of case management and financial controls, and the interactions between different parts of the council. Processes should be subject to periodic review to confirm their continued requirements and application.

Management Actions to Address Issues/Risks

A Business Case will provide the opportunity to detail a staffing structure with clear roles and responsibilities and provide a firm foundation upon which forward planning and sustainability can be based.

The current review of procedures to ensure access to a comprehensive register with accompanying procedures will be finalised; this will include mapping of the process, rationalisation as appropriate, and review of interdependencies.

Risk Agreed	Person(s)	Due Date
Yes	Intervention Hub Manager	July 2025

Ref	Description	Risk Rating	Moderate
1.6	**Case Management and Financial Control** – Local authorities were required to deliver resettlement schemes at pace for refugees from Afghanistan and Ukraine. Because no case management and financial payments and control systems were provided to administer schemes, local authorities had to quickly develop their own solutions to provide security and control over individuals arriving in Aberdeen and over those accommodating them; adequately manage the financial implications of the schemes; and demonstrate that intended outcomes for refugees and communities alike were delivered. The data relating to scheme users and financial transactions is needed to demonstrate that resettlement funding has been used appropriately. The volume of refugee arrivals initially made this a significant challenge, however improved processes and controls were put in place to tighten control, particularly over cash payments which are now subject to more robust record keeping, checks, authorisation and collection processes.

Data management improvements are required – there is a need for more consistent records. Multiple systems are currently being used by the resettlement team including: a variety of physical and online files and spreadsheets, Outcome Star (which tracks personal outcomes and achievements), the NEC (IWorld) case management system, and the Scottish Government's Warm Scottish Welcome (WSW) App. The service has a data plan showing an intention to streamline processes to reduce reliance on spreadsheets, documents and SharePoint for case management purposes. Data cleansing measures are being taken to ensure records will reflect resettlement activity accurately as the systems are populated with historic data. This should provide for improved efficiency, control, and more effective management reporting. However, a schedule for implementing this has yet to be determined |

Ref	Description	Risk Rating	Moderate

Where complied with, a good financial coding framework strengthens the quality of financial management information and supports service delivery. Establishing an appropriate coding structure is more difficult when there are major changes as there have been for resettlement since 2016, when there was only one scheme to administer. The current reduction in the pace of new arrivals gives opportunity for the Council services involved to ensure that the financial activity relating to resettlement, is recorded more effectively: with benefits for financial management reporting.

Resettlement and asylum is accounted for under one Cost Centre in the financial ledger (Refugees - H71858). Different Activity codes are used to discern between resettlement schemes, and Account codes are used to discern between income and expenditure types for reporting purposes. The service is diligent in ensuring that financial coding is correct, although this involves a significant amount of journal entries to apply activity codes where this has not been done, e.g. for correcting the distribution of grant income, staff costs and other purchases. There may be opportunities to improve efficiency in this respect.

Account code 58199 (Other expenditure) should be used as a last resort for spend types so that financial reporting is as transparent and useful as possible. Key resettlement scheme payments including Refugee Welcome payments, Afghan Bridging Accommodation payments and Homes for Ukraine Sponsor payments, are being posted to this code. For reporting purposes, more specific codes for these would be beneficial.

There is a lack of attribution of activities and costs at a service user level. Whilst it is possible to review overall scheme costs and income, and there are running records of welfare support / Resettlement Team interaction at an individual service user level, data is not regularly collated from the various systems and records. Whilst planned improvements to systems and data management should lead to improvements, assurance is further limited because expenditure records do not all clearly indicate the service user for whom the expenditure has been incurred. For example: purchase orders and payments for rent deposits, furnishings, and translation costs, frequently reference officers' names rather than service users. Similarly for income, a variety of reference numbers are used to match claims with individuals. This limits assurance that all and only funded service users within each programme are being provided with the relevant support (including payments, supplies and services). It is also not possible to demonstrate that funds are being provided on an equitable basis, where this is required.

IA Recommended Mitigating Actions

The Service should develop a timeline for implementing data management improvements and monitor this to conclusion.

The Service should review financial coding with Finance to ensure it meets the needs of the service.

The Service should ensure it can demonstrate at an individual and scheme level that funding is being used appropriately.

Management Actions to Address Issues/Risks

A Plan for data management improvements is now in place and progress is being monitored against it.

The Service and Finance colleagues commit to a financial coding review and reviewing transactional information to confirm that individual and scheme level funding is being used appropriately.

Risk Agreed	Person(s)	Due Date
Yes	Intervention Hub Manager, Housing	April 2025

Ref	Description	Risk Rating	Moderate
	Finance Partner, Finance	April 2025	

4 Appendix 1 – Assurance Terms and Rating Scales

4.1 Overall report level and net risk rating definitions

The following levels and ratings will be used to assess the risk in this report:

Risk level	Definition
Corporate	This issue / risk level impacts the Council as a whole. Mitigating actions should be taken at the Senior Leadership level.
Function	This issue / risk level has implications at the functional level and the potential to impact across a range of services. They could be mitigated through the redeployment of resources or a change of policy within a given function.
Cluster	This issue / risk level impacts a particular Service or Cluster. Mitigating actions should be implemented by the responsible Chief Officer.
Programme and Project	This issue / risk level impacts the programme or project that has been reviewed. Mitigating actions should be taken at the level of the programme or project concerned.

Net risk rating	Description	Assurance assessment
Minor	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	**Substantial**
Moderate	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited.	**Reasonable**
Major	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	**Limited**
Severe	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	**Minimal**

Individual issue / risk	Definitions
Minor	Although the element of internal control is satisfactory there is scope for improvement. Addressing this issue is considered desirable and should result in enhanced control or better value for money. Action should be taken within a 12 month period.
Moderate	An element of control is missing or only partial in nature. The existence of the weakness identified has an impact on the audited area's adequacy and effectiveness. Action should be taken within a six month period.
Major	The absence of, or failure to comply with, an appropriate internal control, such as those described in the Council's Scheme of Governance. This could result in, for example, a material financial loss, a breach of legislative requirements or reputational damage to the Council. Action should be taken within three months.
Severe	This is an issue / risk that is likely to significantly affect the achievement of one or many of the Council's objectives or could impact the effectiveness or efficiency of the Council's activities or processes. Examples include a material recurring breach of legislative requirements or actions that will likely result in a material financial loss or significant reputational damage to the Council. Action is considered imperative to ensure that the Council is not exposed to severe risks and should be taken immediately.

5 Appendix 2 – Assurance Scope and Terms of Reference

5.1 Area subject to review

Under the 1951 Refugee Convention, and its 1967 Protocol, the United Nations High Commissioner for Refugees (UNHCR) helps protect and assist refugees and other vulnerable individuals through resettlement services. Aberdeen has had ongoing involvement in resettlement schemes and initiatives since 2016, and over 2,000 refugees, asylum seekers and displaced people have been resettled in the City since then. The resettled population in Aberdeen has increased ten-fold since 2022, largely due to international conflict.

The UK Government Home Office provides local authorities with financial support and guidance to plan, organise and deliver UNHCR resettlement schemes for refugees, displaced persons and asylum seekers coming into the UK.

Aberdeen City Council administers resettlement schemes on behalf of the Home Office and the Scottish Government. This has involved the arrangement of temporary accommodation in Hotels, Council Housing, with Private and Social landlords, and with sponsors across the City through different resettlement schemes and initiatives (see Appendix 2).

The Council was one of only three Scottish local authorities that offered hotel/temporary accommodation to provide for resettlement demands for those displaced from Afghanistan. A further thirteen hotels for Ukrainians who arrived under resettlement schemes were supported. The last of these hotels closed in April 2024. The Council also received £6m of Scottish Government Ukraine Long-Term Resettlement Funding with which it upgraded 500 Council homes, increasing the capacity to offer homes to displaced individuals from across the UK to resettle in the City and reduce reliance on temporary accommodation.

The Intervention Hub Manager oversees the delivery of resettlement schemes and is assisted by the Refugee Project Manager. Around 20 Resettlement and Development team leaders and workers are involved in the work, and staff from Building Services, Primary Care, Employability & Skills, Adult Learning, and Community Learning also have input. Business Services administration and Finance staff also provide support.

5.2 Rationale for review

Resettlement scheme governance has not been audited previously in the Council but is identified as a risk due to its complexity and wider impact on local services.

Increasing world conflict and adverse natural events can develop at relatively short notice and although fully funded, resettlement schemes place significant pressure on local authorities, as conduit and co-ordinator, and services (including non-Council) which help positive resettlement outcomes to be achieved. Rapid changes have had to be made to systems, processes, and resources to meet the challenges of this scale and pace of change. These are widespread and diverse, and procedures are at varying stages of development.

Home Office claims, 'Welcome Payments' to refugees, and 'Thank You Payments' to sponsors need to be correct and timeous and require a robust framework of controls which ensures Home Office Funding Instructions are complied with. Funding must be used in a way whereby national security, the wellbeing of individuals and communities, and value for the taxpayer is achieved. Support provided should meet housing, health and wellbeing needs and provide signposting for employability, education, language development and community integration.

As at 31 March 2024, the Resettlement Reserve fund balance was £14.9 million and service staffing has increased to 22 employees.

The purpose of this review is to ensure that procedures regarding the Council's responsibilities in relation to the resettlement of refugees, specifically the financial costs, are operating effectively, and to consider any wider impacts on other services delivered by the Council.

5.3 Scope and risk level of review

This review will offer the following judgements:

- An overall **net risk** rating at the **Function** level.
- Individual **net risk** ratings for findings.

Please see Appendix 1 – Assurance Terms and Rating Scales for details of our risk level and net risk rating definitions.

5.3.1 Detailed scope areas

As a risk-based review this scope is not limited by the specific areas of activity listed below. Where related and other issues / risks are identified in the undertaking of this review these will be reported, as considered appropriate by IA, within the resulting report.

The specific areas to be covered by this review are:

- Strategy, Governance and Risk Management
- Roles, Responsibilities, and Written Procedures
- Claims Management and Financial Control
- Payments Management and Financial Control
- Management Reporting and the Wider Impact of Resettlement
- Lessons Learned and Exit Strategy

5.4 Methodology

This review will be undertaken through interviews with key staff involved in the process(es) and examination of the reporting at strategic level provided to those impacted by resettlement. Analysis of the supporting data and documentation relating to a sample of financial transactions will be undertaken to ensure they are appropriate, and controls are adequate.

5.5 IA outputs

The IA outputs from this review will be:

- A risk-based report with the results of the review, to be shared with the following:

  - Council Key Contacts (see 1.7 below)
  - Audit Committee (final only)
  - External Audit (final only)

5.6 IA staff

The IA staff assigned to this review are:
- Phil Smith, Auditor **(audit lead)**
- Colin Harvey, Audit Team Manager
- Jamie Dale, Chief Internal Auditor **(oversight only)**

5.7 Council key contacts

The key contacts for this review across the Council are:
- Eleanor Sheppard, Executive Director – Families and Communities
- Jacqui McKenzie, Chief Officer - Housing
- Gill Strachan, Intervention Hub Manager **(process owner)**
- Sheona Bell, Refugee Project Manager

5.8 Delivery plan and milestones

The key delivery plan and milestones are:

Milestone	Planned date
Scope issued	24-Jun-24
Scope agreed	28-Jun-24
Fieldwork commences	05-Jul-24
Fieldwork completed	19-Jul-24
Draft report issued	26-Jul-24
Process owner response	09-Aug-24
Director response	16-Aug-24
Final report issued	23-Aug-24

6 Appendix 3 – Resettlement Schemes and Initiatives

Integration Schemes and Initiatives	Numbers involved	Notes
Vulnerable Persons Resettlement Scheme (VPRS) (Closed Feb 2021)	133 Individuals	Syrian and Kurdish people resettled
United Kingdom Resettlement Scheme (UKRS) (Began March 2021	6 Families but will increase to 12	Commitment made via CAP to support a further 6 households.
Afghan Bridging Accommodation	3 reduced to 2 Hotels	Capacity for 170 Afghani people
Afghan Assistance and Relocation Policy (ARAP)	13 Families	Further households are expected
Afghan Citizens Resettlement Scheme (ACRS)	Tbc	Request has been made for Aberdeen to support households being potentially moved to serviced accommodation
Afghan Citizens Resettlement Scheme 2 (ACRS2)	Tbc	As above
Welcome Hub Accommodation for Ukrainian Guests	1300 Individuals	Accommodated across 13 temporary sites
Homes for Ukraine Sponsor Scheme	63 Individuals	Ukrainians accommodated by 31 Sponsors
The Warm Scottish Welcome Super Sponsor Scheme (SSSS)	129 Individuals 80 Council tenancies	Ukrainians accommodated by 68 Sponsors Provide for initial cohort of families to arrive

	40 Registered Social Landlord Tenancies	Additional secure tenancies
SG Longer-Term Resettlement Fund	500 Council tenancies	Commitment made
National Transfer Scheme (NTS)	30-35 Children	Children's Social Work prediction of expected Unaccompanied Asylum Seeking Children (UASC) in 2023-24