

Kilkenny County Council

Internal Audit Report Ukrainian Response Unit

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Report Distribution

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Management Team
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Introduction

A Temporary Protection Directive was activated by the European Council in March 2022 in response to the crisis arising as a result of the conflict in Ukraine. Ukrainians arriving in Ireland are considered Beneficiaries of Temporary Protection and under the EU Directive have access to various rights and entitlements. These include social welfare income supports, employment and self-employment, accommodation, schools and health care services.

Staff in the Housing Department and Civil Defence in Kilkenny County Council provided early support before the Ukrainian Response Unit was established within the Council. The Community Response Forum first established during the Covid pandemic was reinstated to help coordinate the local response to the arrival of Ukrainians.

Kilkenny County Council's Ukrainian Response Unit core objective is to ensure that the Ukrainian Community are provided with an adequate standard of accommodation with the relevant wrap around supports to enable them to live and work in Kilkenny. The Ukrainian Response Unit work in conjunction with the Department of Children, Equality, Disability, Integration and Youth and the Department of Housing Planning and Local Government to roll out the government supports which are provided under the National Ukrainian Response.

The Unit administers the 'Offer a Home Scheme' and has two rest centers in operation, one in Kilkenny City and one in Knocktopher. Kilkenny County Council appealed for offers of unoccupied properties to provide temporary homes for Ukrainian people and families. The call is part of a new government initiative led by local authorities. A tax-free recognition payment of €800 per month is available from the Department for properties used to house those arriving from Ukraine. This is an

increased payment rate applying from December 1st 2022. Under the new programme, Kilkenny County Council will take offers of houses, apartments or holiday homes for temporary accommodation, liaise with owners to assess suitability and arrange for their use by Ukrainian people and families.

The Unit works with local agencies involved in the response - Kilkenny Leader Partnership, Kilkenny ETB, HSE, Department of Social Protection and local community groups to ensure the Ukrainian refugees supports are provided in an effective and efficient manner. This is coordinated through the Ukrainian Community Forum which is chaired by Kilkenny County Council's Chief Executive. The full costs incurred by the Unit are recouped from the relevant Government Departments. The current data detailing the Ukrainian Response in Kilkenny is detailed in Appendix A (dated 12/09/2023).

Objectives

The objective of the audit is to provide reasonable assurance that the Management of Displaced Ukrainian Persons by Kilkenny County Council is following the National Ukrainian Response and that the necessary procedures and sufficient systems/controls are in place.

Approach

- Internal Audit spoke with the A/Director of Services with responsibility for the Ukrainian Response Unit and staff in the Unit to gain an overview of the process involved.
- The expenditure for the Unit for 2022 in the amount of €754,983 as detailed in the Annual Financial Statement (AFS) was reviewed.
- Recoupments to the relevant Government Departments were examined.
- The 'Offer a Home Scheme' was reviewed.

Scope & Limitations of scope

Internal Audit reviewed the Ukrainian Response Unit expenditure for 2022. Procedures and processes surrounding the Ukrainian Unit's Response to meet the needs of the displaced Ukrainian persons in Kilkenny were also examined.

Audit Risk

- No Standard Operating Procedure in place
- Inadequate Audit Trail on voucher purchases
- Inaccurate coding on Agresso
- Possible non-compliance with procurement guidelines

Co-operation of Management and staff

Internal Audit received full co-operation from Council Management and Staff throughout the course of this review and would like to thank them for their assistance.

Internal Audit Opinion

Internal Audit's findings and recommendations are detailed below. Based on this audit of the Ukrainian Response Unit the audit opinion is reasonable assurance. There is a sufficient framework of key controls for objectives to be met. Risks are managed but could be stronger. Controls are generally applied but some lapses in the application of controls have been observed.

This report was distributed to the Ukrainian Response Directorate and includes their Management Action Plan.

The report was approved by the Management Team on 22nd November 2023.

The Audit Committee reviewed the Audit Report at their meeting of 4th December 2023.

Brigid Webster, Internal Auditor

Findings, Recommendations and Management Comments

<i>Findings</i>	<i>Implications</i>	<i>Recommendations</i>	<i>Management Action Plan & Timeframe</i>
<p>1. There is no written Standard Operating Procedure (SOP) in place in the Ukrainian Response Unit.</p>	<p>The absence of an SOP may reduce efficiency in the service and impact on business continuity in the event of staff changeover.</p>	<p>Internal Audit recommends that a Standard Operating Procedure is put in place for the Ukrainian Response Unit.</p>	<p>Standard Operating Procedures are currently being put in place in relation to the various aspects of the Ukrainian Department – by 31.12.23</p>
<p>2. Gift Vouchers to the value of €50,370 were purchased from local food stores and distributed to Ukrainians arriving in the Rest Centers in Kilkenny pending processing of their Social Welfare Payments. It was found that the tracking and reconciliation for these vouchers was inadequate for audit purpose.</p>	<p>Inadequate audit trail.</p>	<p>Internal Audit recommends that a robust tracking and reconciliation of gift vouchers is put in place by the Ukrainian Response Unit, to include a reconciliation between the Agresso expenditure and the distribution of the vouchers.</p> <p>Consideration should also be given by the Unit to the set-up of a new Agresso Product Code for the coding of the expenditure for the vouchers to allow for ease of identification of the expenditure.</p>	<p>Monthly tracking and reconciliation of voucher expenditure has been put in place and is signed off by DOS monthly – in place.</p> <p>A new product code has been set up for voucher expenditure to allow for ease of identification – in place.</p>

<p>3. While reviewing the Unit’s expenditure on the AFS it was noted that some expenditure was coded incorrectly. Incorrect Product Codes and Account Elements were assigned to purchases, for example ‘Food Purchases’ coded as ‘Consultancy Professional Fees’ and the incorrect use of the ‘Capital Contracts Expenditure Code’.</p>	<p>Inaccurate coding on AFS.</p>	<p>Internal Audit recommends that the Ukrainian Response Unit identifies the correct Product Codes for its purchases. These codes when applied correctly will ensure coding in Agresso is correct and ensure an accurate account of the type of expenditure appearing in the AFS at year end.</p> <p>The Unit should arrange for Agresso coding training as required for staff.</p> <p>I would also recommend a review of expenditure coding in Agresso for 2023 be undertaken to ensure accuracy and amendments be made as necessary.</p>	<p>Product codes have been identified and are now being used – in place.</p> <p>Agresso training for staff has been requested. Assistance has been provided by Finance staff.</p>
<p>4. Internal Audit noted that ‘emergency procurement procedures’ were utilised by the Ukrainian Response Unit in 2022 on advice from the</p>	<p>Kilkenny County Council may be in breach of procurement guidelines.</p>	<p>The Ukrainian Response Unit need to ensure that they are complying with procurement guidelines and obtain the relevant quotes</p>	<p>Relevant quotes and tenders are being sought. Procurement of security is currently going to tender in Q4 2023.</p>

<p>Office of Government Procurement via the Local Government Management Services Agency.</p> <p>It appears now that the displacement of Ukrainian persons will be a medium to long term situation, therefore The Ukrainian Response Unit needs to move from 'emergency procurement' to ensuring formal procurement arrangements are followed.</p>		<p>and tender accordingly for services as required.</p>	
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Appendix A - Ukrainian Monitor courtesy of Ukrainian Response Unit

