

MEMORANDUM OF UNDERSTANDING

The arrangements between DWP and Audit Scotland for improving the quality of administration of Housing Benefit in Scotland DWP Local Authority Partnership Engagement and Delivery Division (LA-PED) / Audit Scotland

1. Introduction

This Memorandum of Understanding has been agreed between DWP and Audit Scotland. Its purpose is to establish an efficient working relationship between the two parties and clarify roles and responsibilities. The document is subject to change and amendment as working practices and agreements develop between the two parties. This document is not legally binding, and nothing contained in this document shall replace or detract from the statutory duties of either party as contained in the Social Security Administration Act 1992 or the Public Finance and Accountability (Scotland) Act 2000 and the statutory duties of external auditors in the Local Government (Scotland) Act 1973.

2. Roles and Responsibilities

DWP (LA-PED)

Through its strategic objectives, the legislation it sets in respect of HB and the funding it provides to local authorities (LAs), DWP works to secure continuous improvement in Housing Benefit (HB) services delivered through LAs. LAs provide DWP with operational information including caseload, speed of processing new claims and changes of circumstances and counter-fraud data.

Audit Scotland

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Accounts Commission and the Auditor General for Scotland. Together they ensure that the Scottish Government and public sector bodies (including LAs) in Scotland are held to account for the proper, efficient, and effective use of public funds.

In 2008 the Accounts Commission assumed responsibility for reporting on HB services in Scotland. As Audit Scotland has no inspection function, this work is carried out as part of HB performance audits.

Audit Scotland undertakes two main types of HB performance audit work. These are thematic audits that look at a single theme across councils, and audits of the HB service at an individual council. The HB audit work at individual councils is carried out in two phases. The first risk assessment phase consists of a rolling risk assessment of all HB services in Scotland. Risks to the continuous improvement of services are identified and authorities are given the opportunity to address these risks themselves. Risk assessment reports and LAs' response to them are copied to the DWP for information and placed on Audit Scotland's website.

Second phase focused audits are only carried out if an LA is unable or unwilling to reduce the identified risks to an acceptable level. When focused audits are carried out the Controller of Audit will prepare a report for the Accounts Commission which will report its findings in public and these reports will be copied to the Secretary of State for Work and Pensions to consider and act on, as appropriate. This can include exercising powers of direction if warranted.

3. LA-PED /Audit Scotland - Quarterly Review Meetings

The Quarterly Review meetings are attended by representatives from LA-PED and Audit Scotland. Each party is responsible for notifying the other of the names and details of relevant contacts within their organisation and shall keep the other informed of any changes.

Quarterly Review meetings are arranged to coincide with the availability of statistical information on HB and to inform Audit Scotland's selection of HB services for the next quarterly programme of risk assessments. These meetings will identify those LAs where there are concerns about their HB service, and common areas of challenge appropriate for a thematic review.

4. Information exchanges

Both parties agree to exchange relevant information on HB administration.

LA-PED will:

- update Audit Scotland with the position on the availability of HB data and published statistics.
- advise Audit Scotland if DWP has any concerns about a LA's service
- provide an update, when relevant to Scottish LAs.
- ensure that any LA-PED work at an authority is co-ordinated with Audit Scotland's audit work.
- advise and keep Audit Scotland apprised of any HB engagement DWP has with Scottish LAs.
- keep Audit Scotland informed of any other information which may be relevant to HB administration in Scotland.

Audit Scotland will:

- advise LA-PED of any information it may have relevant to concerns about a LA's HB service and consider options for engagement, where appropriate.
- provide LA-PED with details of its HB audit programme quarterly
- copy its audit reports, the LA's response, and Audit Scotland's decision on the need for any further engagement to LA-PED.
- consult with LA-PED should they consider it necessary to undertake a focused audit
- advise LA-PED of any planned thematic reviews.

5. Reports from the Accounts Commission.

Audit Scotland will consult with LA-PED when it considers a focused audit might be appropriate. However, the decision whether a focused audit is appropriate will be made by Audit Scotland.

When both the risk assessment phase and the focused audit phase of the audit have been completed, the Controller of Audit will prepare a report for the Accounts Commission.

The Accounts Commission will consider the Controller of Audit's report and will then report its findings. This report will be a public report and will be copied to the Secretary of State for Work and Pensions.

LA-PED will consult with Audit Scotland on any action the Secretary of State for Work and Pensions might take following consideration of a report on a Scottish LA's HB service, although the final decision on this will lie with the Secretary of State.

6. Following up Accounts Commission reports

LA-PED will:

- consider each report and provide Audit Scotland with a response which indicates whether DWP has an interest in following up the report.
- liaise with Audit Scotland regarding LAs' improvement plans developed in response to published reports.
- consult with Audit Scotland on the action the Secretary of State for Work and Pensions might take following consideration of a report on a LA's HB service, although the final decision on this will lie with the Secretary of State.
- contact the LA direct if it feels the report is sufficiently critical to warrant separate DWP action. In this event, DWP will advise Audit Scotland accordingly to ensure that any Audit Scotland follow up work takes account of this action.

7. Joint Review of Memorandum of Understanding

Some or all the arrangements or procedures contained in this Memorandum of Understanding may be terminated by either party. However, both parties will use their best endeavours to give reasonable notice to the other of such termination.

The principles of this document will be reviewed and reconfirmed every five years. The appendix will be reviewed and updated in line with current practices as agreed.

SIGNED FOR Department for
Work and Pensions



Name: Clare Elliott
Title: Head of LA-PED
Date: 31 March 2021

SIGNED FOR Audit Scotland



Name: Carole Grant
Title: Audit Director
Date: 31 March 2021

APPENDIX 1

Abbreviations

DWP	Department for Work and Pensions
HB	Housing Benefit
LA-PED	Local Authority Partnership Engagement and Delivery Division
LA	Local Authority

Definitions

Risk Assessment	The first phase of HB audit work - the scrutiny of a LA's HB service to identify and report the risks to the continuous improvement of that service.
Focused Audit	The second phase of HB audit work - the in-depth scrutiny of the risks identified in the first phase to identify and recommend the actions required by the authority to reduce these risks to an acceptable level.
Quarterly Review Meeting	A meeting between LA-PED and Audit Scotland to review HB services in Scotland, including any services giving cause for concern and to consider what action may be taken by LA-PED or Audit Scotland.