



Internal Audit Consultancy Report
Assignment Number – 15-26
Universal Credit
March 2016

Final Report

Internal Audit

“Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”. Public Sector Internal Auditing Standards (PSIAS)

On 27th March 2013, the Council’s Audit Committee approved the PSIAS as the relevant standard for its Internal Audit activity.

Consultancy work aims to support management in building in controls at the outset for the implementation of systems, processes and procedures and also provides specific assurance for particular projects or issues at the request of management. This approach is consistent with the PSIAS.

Background and Scope

This review was carried out as part of the audit plan approved for 2015/16 by the Audit Committee on 1st April 2015. The scope of the assignment was to provide assurance of the arrangements in place in preparation for the implementation of Universal Credit in Perth and Kinross.

Universal Credit (UC) is a new benefit being introduced to the Perth and Kinross area on 25 April 2016 to people who are looking for work, or who are on a low income. It brings together several different benefits and combines them into one monthly payment which will go straight into the claimant’s bank account.

UC replaces Income-based Jobseeker's Allowance, Income-related Employment and Support Allowance, Income Support, Child Tax Credit, Working Tax Credit and Housing Benefit.

There is limited information in relation to the detailed roll out of Universal Credit locally. However, it has been confirmed that the current intention is to commence roll out of UC in this area for only the most straightforward cases with initial volumes being low. The Service however is mindful of the fact that this approach could change at any time with very little notice to the Council.

At this time it is not possible to fully estimate the timing and potential total financial impact on Council Services and budgets of Welfare Reform with any accuracy.

Findings

Housing & Community Care’s Revenues and Benefits Service has taken the lead on Universal Credit implementation within the Council and has established good working relationships with partner organisations in support of its implementation.

The Joint Welfare Reform Steering Group which is chaired by Housing & Community Care’s Head of Corporate IT and Revenues has been meeting on a regular basis. This group includes representatives from key partner organisations with an interest in

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the implementation of UC measures, including registered social landlords and Perth Citizen's Advice Bureau, and aims to ensure a consistent and coordinated approach.

Working groups have been set up to prepare for implementation and beyond; this will include identifying all risks and issues, learning from other Councils and ensuring effective communication.

Information is available on the Council's website regarding the roll out of UC in Perth and Kinross. Information is also signposted using social media.

To ensuring that the Council is prepared for the challenges resulting from the introduction of UC, the Service provides information and training to partner organisations. Furthermore, formal training from the Job Centre Plus is to be delivered to the service in March 2016. A number of site visits to other Local Authorities have taken place to assist with planning for UC implementation. This has enabled the Council to identify good practice, opportunities, risks and issues which have been faced elsewhere. The Service has advised that one of the outcomes from these visits is the assurance that the Council is as prepared as it can be at this stage. The Service will continue its on-going dialogue with Job Centre Plus and the Department of Work and Pensions to ensure that it has all the relevant information as soon as it becomes available.

Elected members received a Welfare Reform update presentation in June 2015 which included information regarding preparing for UC implementation. An updated presentation to elected members is planned for May 2016.

In March 2016 a Delivery Partnership Agreement was signed between the DWP and the Council which covers the period from 25 April 2016 to 31 March 2017. This Delivery Partnership will support national expansion of UC as an interim arrangement, until it is rolled out in full.

A Local Partnership Agreement is viewed as essential to the flow of communication. It is recognised as good practice and is in the process of being developed and agreed with potential partners including Perth Citizen's Advice Bureau and housing associations.

A Welfare Reform Project Action Plan has been prepared and includes a profiling exercise to identify tenants likely to be impacted by UC. This will be of use to the Service during the initial period after roll out.

Opinion

It is the opinion of the Auditor that the arrangements in place within the Council provide an appropriate platform for the roll out of UC. Future development in this area will be subject of a further report to the Audit Committee.

Acknowledgements

Internal Audit acknowledges with thanks the co-operation and assistance of the officers working in Housing and Community Care.

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Feedback

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

Distribution

This report has been distributed to:

B Malone, Chief Executive

J Walker, Depute Chief Executive, HCC (Corporate and Community Development Services) and Chief Operating Officer,

K McNamara, Head of Strategic Commissioning & Organisational Development

A Taylor, Head of Finance and Support (Housing & Community Care)

J Symon, Head of Finance

L Brady, Service Manager, Revenues & Benefits

G Taylor, Head of Democratic Services

P Dickson, Complaints & Governance Officer

External Audit

Authorisation

The Auditor for this assignment was M Morrison. The supervising Auditor was J Clark.

Jackie Clark
Chief Internal Auditor
Date: 21 March 2016