

# **AUDIT, GOVERNANCE AND STANDARDS COMMITTEE**

**26<sup>th</sup> April 2018**

## **HOUSING BENEFIT SUBSIDY AUDIT 2016/17**

Relevant Portfolio Holder	Cllr John Fisher
Portfolio Holder Consulted	√
Relevant Head of Service	Amanda Singleton, Head of Customer Access and Financial Support
Wards Affected	All Wards
Non-Key Decision	

### **1. SUMMARY OF PROPOSALS**

- 1.1 To present to Members the Grant Thornton Annual Housing Benefits Subsidy Claim Audit Letter which summarises the key findings arising from their audit of benefits claims for the year ended 31 March 2017.

### **2. RECOMMENDATIONS**

- 2.1 **The Committee is asked to note:**

**2.1.1 The contents of the Audit Letter as included in Appendix 1.**

**2.1.2 The ongoing plans of the service to continuously improve the quality and accuracy of assessment and data input.**

### **3. KEY ISSUES**

#### **Financial Implications**

- 3.1 Housing Benefit Subsidy claimed for 2016/17 totalled £23.2 million.
- 3.2 The Grant Thornton fee for the 2016/17 audit fee is £23,291.
- 3.3 As a result of the audit the Housing Benefit Subsidy claim has been reduced by £558.

#### **Legal Implications**

- 3.4 The Council has a statutory responsibility to comply with DWP Regulations in respect of the assessment of benefits claims and the subsidy claim.
- 3.5 Our Auditors are required to carry out the audit of the subsidy claim strictly in accordance with DWP guidelines. These guidelines require the extrapolation of error across the claim, regardless of the size of the error found within the testing.

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### **Service/Operational Implications**

- 3.6 During the financial year 2016/2017 officers processed over 12,000 new claims and change of circumstances administering Housing Benefit.
- 3.7 During this time we also went through a full system conversion and encountered down time and processing delays due to this.
- 3.8 Areas of concern identified through this audit were:
- Quality of audit workbook completion. Due to the burden of work it was necessary to put less experienced staff onto the completion of the work works which we must produce for the audit. This impacted on the quality of completion of these complex and difficult spreadsheets.
  - Mis-keying of amounts of income and/or costs. Simple typographical errors when inputting data can have a significant impact and although all staff are required to check their own work, and we also carry out random checks, 100% accuracy is very difficult to achieve.
  - Incorrect treatment of one-off working tax credit payment. This is a training issue to be addressed.
  - Inability to provide evidence in one case, where the link to the document on the Council's document image management system is broken. There was nothing that could be done in this case and we feel that the claim was accurately assessed. We simply could not provide the required document.
- 3.9 Although we still processed at 93% accuracy there is no margin for error within the system and through the audit process each year officers identify key actions for improvement.
- 3.10 Any improvements made as a result of the 16/17 audit will not fully impact until the 18/19 audit.
- 3.11 Improvements identified and being implemented now are:
- Further post assessment quality checking on areas of concern (such as assessments relating to earnings, capital and initial tax credit payments).
  - Closer individual monitoring of performance levels
  - Monitor overpayments created and check classifications.
  - Monitor and cleanse high risk cells.
  - Identify further training needs.

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- Provide training and workshops to staff (especially utilising down time when officers can't process for example year end and when releases are being installed).
- Make reporting changes easier for customers and increase online options
- Improve the use of Civica functionality and explore further automation of jobs. Therefore reducing waste and enabling officers to concentrate on true work. This will then reduce the keying errors we are finding.

- 3.12 The main errors related to the mis-keying of data into the system. Transposition of numbers and other input errors are not uncommon when inputting data quickly. Specific training to improve accuracy is being provided to all staff.

## **Customer / Equalities and Diversity Implications**

- 3.13 The processing of claims both accurately and quickly is vital to ensure that customers are not disadvantaged. Every effort must be made to minimise error in the system.

## **4. RISK MANAGEMENT**

- 4.1 Use of additional resources to enhance checking routines, as well as regular individual monitoring is necessary to reduce error as well as reduce the work relating to the subsidy audit and the potential for a loss of subsidy.

## **5. APPENDICES**

Appendix 1 - Grant Thornton Annual Housing Benefits Subsidy Claim Audit Letter

## **6. BACKGROUND PAPERS**

Grant Thornton Annual Housing Benefits Subsidy Claim Audit Letter

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