

**AUDIT, STANDARDS AND GOVERNANCE  
COMMITTEE**

**15<sup>th</sup> March 2018**

**HOUSING BENEFIT SUBSIDY AUDIT 2016/17**

Relevant Portfolio Holder	Cllr Brian Cooper
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 £16.4 million.
- 3.2 The Grant Thornton fee for the 2016/17 audit fee is £12,692. This is £5,147 more than the indicative fee set, due to extra work required in respect of this audit.
- 3.3 As a result of the audit the Housing Benefit Subsidy claim has been reduced by £91,900.

**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 4,800 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 The amount of testing carried out this audit was higher than in previous years. This is due in part to the 'snowball affect' of the audit requirements. Where errors are found in one year it is necessary that more testing be carried out the following year. Our error rate in 2016/17 was not worse than in 2015/16 but no better. The main 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.
  - A large over calculation which was immediately identified and corrected, and was not paid out to the claimant. However the amount was included in the subsidy claim form, and must therefore be included in the report to DWP.
  - Earnings not evidenced – we had previously been advised that where benefits are reduced or unchanged then documented evidence is not always necessary – and our priority is to avoid an overpayment to the customer, which they would have to pay back. Through the audit it became apparent that this was insufficient.
  - Mis-keying of information in respect of earnings. 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.
- 3.9 Although we processed at 92% 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.

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3.11 Improvements identified and being implemented are:

- Changes to process in respect of evidence
- Further post assessment quality checking on areas of concern (such as assessments relating to earnings)
- Closer individual monitoring of performance levels
- Monitor overpayments created and check classifications.
- Monitor and cleanse high risk cells – which would have identified the large error, corrected in the system but not reflected in the claim.
- Identify further training needs.
- 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.
- Specific training to improve accuracy is being provided to all staff.

**Customer / Equalities and Diversity Implications**

3.14 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

**BROMSGROVE DISTRICT COUNCIL**

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