

**FINAL INTERNAL AUDIT REPORT**  
**CHIEF EXECUTIVE'S DEPARTMENT**

**FOLLOW UP REVIEW OF HOUSING BENEFIT**  
**2017/18**

**Issued to:** John Nightingale, Head of Revenues & Benefits,

**Cc** Jayne Carpenter, Benefits Operations Manager,  
Claudine Douglas-Brown, Assistant Director Exchequer Services,  
Peter Turner, Director of Finance, (Final Report only)

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**Date of Issue:** September 10th 2018

**Report No.:** CEX/04/2017/FU

## **FOLLOW UP REVIEW OF HOUSING BENEFITS 2017-18**

### **INTRODUCTION**

1. This report sets out the results of our systems based follow up audit of Housing Benefit for 2017-18. The audit commenced in quarter 3 as part of the programmed work specified in the 2017/18 Internal Audit Plan, agreed by the Section 151 Officer and Audit Sub-Committee.
2. The controls we expect to see in place are designed to minimise the department's exposure to a range of risks. Weaknesses in controls that have been highlighted will increase the associated risks and should therefore be corrected to assist overall effective operations.
3. The Benefits Service Monitoring Report went to the Executive on July 5<sup>th</sup> 2018 and provided an update on Universal Credit. The Universal Credit 'Full Service' starts in Bromley on July 25<sup>th</sup> 2018. This means from that date the majority of working age claimants commencing a claim for assistance with their rent will receive Universal Credit rather than Housing Benefit. Existing working age Housing Benefit recipients will transfer over to Universal Credit on a change in their circumstances.

### **AUDIT SCOPE**

4. This follow up review considered the Internal Audit report issued on 24<sup>th</sup> March 2017 and the progress made to implement the five recommendations.

### **MANAGEMENT SUMMARY**

5. We carried out sample testing and analysis of relevant documentation to confirm the extent to which the recommendations made in our original report had been implemented. We found that out of the 5 original recommendations 2 had been implemented and 3 remained outstanding.

### **SIGNIFICANT FINDINGS (PRIORITY 1)**

6. None.

### **DETAILED FINDINGS/MANAGEMENT ACTION PLAN**

7. Appendix A provides information on the recommendations that are being followed-up and the status following the audit review. Any new findings and re recommendations are detailed in Appendix B of this report and require management comment. Appendix B also gives definitions of the priority categories.

**ACKNOWLEDGEMENT**

8. We would like to thank all staff contacted during this review for their help and co-operation.

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No	Original recommendation (Internal Audit report 24/3/2017)	Priority	Management comment	Responsibility	Agreed timescale	Follow-up comments	Status
1	The contract monitoring team should ensure stated processing times are accurate.	2	Checking accuracy of processing times forms part of the function of random sampling of HB assessments.	Benefits Operations Manager	Ongoing	<p>No issues were identified with processing times recorded on the system.</p> <p>Testing of a sample of 20 claims showed that 15 claims were not processed within 13 days as expected.</p> <p>Claim A 41 days            Claim B 30 days            Claim C 24 days            Claim D 33 days            Claim E 36 days            Claim F 31 days            Claim G 35 days            Claim H 22 days            Claim I 25 days            Claim J 45 days            Claim K 15 days            Claim L 47 days            Claim M 15 days            Claim N 41 days</p> <p>An average figure is taken over the month under the Right Time Indicator, the annual target being 13 days.</p>	Implemented.

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						A report went to the Executive on 5/7/18 - Benefits Service Monitoring Report.	
2	The contractor should make sure action is taken on debts that are returned from the solicitor and where no action is taken after a month on hold. All recovery action taken on debts should be recorded on System A.	2	Agreed.  Staff will be reminded of the importance of recording recovery action on System A.	Benefits Operations Manager	April 2017	A sample of twenty overpayments were selected for review.  No issues arising were found in relation to the samples selected relating to recording on System A.	Implemented.
3	A process should be put in place to ensure part time and self-employed claims are reviewed on a regular basis.	2	Agreed. A process will be adopted in 2017/18 to ensure that all part-time self-employed claims are reviewed regularly.	Benefits Operations Manager	June 2017	A copy of the process has been provided to the Auditor on 11/7/18.  Sample testing of five cases on System A showed the following :- Claim 1 – next review due 8/4/19. A review for 2017/18 could not be found. Claim 2 - No review detailed. Claim 3 - No review detailed. Claim 4 – No review detailed.	Outstanding

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						The contractor confirmed on 17/7/18 that only 58% of the 466 self-employed cases had diaries set. There were also system issues identified with 71 cases so no diary document was added and as a result cases have not been reviewed.	
4	In achieving the key objective of maximising recovery the annual target needs to be set carefully, bearing in mind the effects of RTI.	2*	The impending changes by HMRC/DWP need to be evaluated before considering the effectiveness of setting a target.	Head of Revenues and Benefits	On-going	The target has not been re-set.	Outstanding
5	Where appeals are approaching the target date, actions should be taken to ensure that these are reviewed within the 3 month target suggested by the DWP.	3*	Agreed.	Benefits Operations Manager	On-going	The appeals spreadsheet was reviewed and it was found that for 2017-18 there were 46 appeals that had not met the three month target.  The contractor advised that at the start of Q1 2018-19 they had carried over	Outstanding

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						<p>approximately 135 appeals work items from 2017-18 with an average age profile of 40+ days.</p> <p>During the last 2 quarters of 2018-19, and into the first quarter of 2018-19, a number of measures were put in place to refine the process:</p> <ul style="list-style-type: none"> <li>• A weekly report for escalation of any significant age appeal awaiting a client decision</li> <li>• Review of the pending process</li> <li>• Implementation of evidence upload facility</li> <li>• Additional screening of work at the allocation stage</li> <li>• Additional resource for the appeals work</li> </ul> <p>The effect of this has been gradual over Q1 but is cumulative and is starting to yield results.</p>	

No	Re-recommendation	Priority	Management Comment	Responsibility	Target Date
Original rec no. 3	A process should be put in place to ensure part time and self-employed claims are reviewed on a regular basis.	2*	A process was adopted to review self-employed cases but unfortunately technical issues were experienced. This has now been rectified and the 71 cases identified will be reviewed by 31.10.18. However, review of self-employment cases will be done on a rolling review basis.	<b>Benefits Operations Manager.</b>	31.10.18 – annual thereafter
Original rec no. 4	In achieving the key objective of maximising recovery the annual target needs to be set carefully, bearing in mind the effects of RTI	2*	Target has not been re-set as agreed by PDS. There are significant functional implications if the target was reset.	<b>Head of Revenues &amp; Benefits.</b>	On-going
Original rec no. 5	Where appeals are approaching the target date, actions should be taken to ensure that these are reviewed within the 3 month target suggested by the DWP.	3*	Significant improvements have been made to the process during Quarter 1 of 2018/19 which have had positive effect on the percentage of claims reviewed in line with DWP suggested timescales. This is being monitored.	<b>Benefits Operations Manager.</b>	On-going

Definition of priority categories.

**Priority 1**

**Required to address major weaknesses  
and should be implemented as soon as  
possible**

**Priority 2**

**Required to address issues which  
do not represent good practice**

**Priority 3**

**Identification of suggested  
areas for improvement**