

REDACTED



**INTERNAL AUDIT FINAL REPORT
CHIEF EXECUTIVES DEPARTMENT**

REVIEW OF HOUSING BENEFITS 2019-20

Issued to: Jayne Carpenter, Revenues & Benefit Manager,
Claudine Douglas Brown, Assistant Director, Exchequer Services,
Peter Turner, Director of Finance, (Final Report only)

Prepared by: Principal Auditor

Reviewed by: Head of Audit and Assurance,

Date of Issue: July 14th 2021

Report No.: CEX/09/2019/AU

REVIEW OF HOUSING BENEFITS

INTRODUCTION

1. This report sets out the results of our audit of Housing Benefits. The audit was carried out as part of the work specified in the 2019-20 Internal Audit Plan agreed by the Section 151 Officer and Audit Sub-Committee. The controls we expect to see in place are designed to minimise the Council's exposure to a range of risks. Weaknesses in controls that have been highlighted will increase the associated risks and should therefore be addressed by management.
2. The completion of this review was affected by the covid pandemic and issuing of this report was delayed.
3. Housing Benefit is a national welfare benefit, which helps people on a low income pay their rent. Those that cannot claim Housing Benefit may be able to claim Universal Credit.
4. You can only claim Housing Benefit if:
 - You are a pensioner
 - You live in temporary/homeless accommodation, supported accommodation or in a refuge.
5. If you meet the criteria for Housing Benefit, you will be unable to claim if:
 - you have savings of over £16,000, unless you are aged 60 or over and getting the 'guarantee credit' of Pension Credit
 - you live in the home of a close relative
 - you are a full-time student (unless you're disabled or have children)
 - you are an asylum seeker or are sponsored to be in the UK

If you live with a partner or civil partner, only one of you can get housing benefit.
6. Applicable regulations are the Housing Benefit Regulations 2006 and the Housing Benefit & Council Tax Benefit (Consequential Provisions) Regulations 2006. This review concentrates on Housing Benefit claims only.
7. We would like to thank everyone contacted during this review for their help and co-operation.

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AUDIT SCOPE

8. The original scope of the audit was outlined in the Terms of Reference issued on 12/10/2020. This audit was delayed due to the Covid 19 pandemic and this audit was completed alongside the 2020/21 Housing Benefit Audit.
9. The key risk areas identified on the terms of reference for review were :-
 - Changes in circumstances may not be properly supported by valid documentation or assessed in line with policies and procedures and properly processed
 - Reconciliations may not be undertaken.
 - Previous audit recommendations may not have been implemented
 - Review any revised service delivery arrangements put in place in recent months, as a result of COVID-19 pandemic.
10. The performance results for March 2020 are as follows:
11. 'In terms of Housing Benefit processing times, March 2020 has seen a negative increase from 2.91 days to 5.29 days against a monthly profiled target of 13 days (yearly target 13 days). New claims were processed on average in 16.91 days (13.11 last month) and Change events were processed on average in 4.76 days (2.67 last month). The increase in days is attributed to the interruption caused by Covid-19 during the second half of the month, due to changes in work patterns and locations.
12. The percentage of claims processed within 14 days (PM13) was above the 95% target, at 97.83%.
13. The final figure for Local Authority error overpayments is £208,413 for 2019/20 and achieves 100% subsidy.
14. Outstanding work remains below contractual target for both new and pended items'.

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AUDIT OPINION

15. Our overall audit opinion, number and rating of recommendations are as follows.

AUDIT OPINION	
Substantial Assurance	(Definitions of the audit assurance level and recommendation ratings can be found in Appendix B)

Number of recommendations by risk rating		
Priority 1	Priority 2	Priority 3
0	1	0

SUMMARY OF FINDINGS

16. A sample of 20 cases were selected for testing. The samples were selected from the different areas of coverage such as overpayments, backdated claims, change in circumstances and appeals.

17. We would like to bring to management’s attention the following:-

In four of the appeal cases sampled, the Authority was found not to be compliant with the DWP’s three month appeal decision timeframe. □

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DETAILED FINDINGS / MANAGEMENT ACTION PLAN

18. The findings of this report, together with an assessment of the risk associated with any control weaknesses identified, are detailed in Appendix A. Any recommendations to management are raised and prioritised, together with management's responses and timescales for implementation. Appendix B details the definition of the audit assurance and priority ratings.

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DETAILED FINDINGS AND ACTION PLAN

APPENDIX A

1. Appeals	
<p><u>Finding</u></p> <p>In 4 appeal cases, the three month appeal decision timeframe had not been complied with. (Samples 13, 14,15 and 16)</p> <p><u>Risk</u></p> <p>Where appeal decisions are not made within the three month timeframe, in line with the DWP guidelines, there is a risk that arrears increase and may be more difficult to recover.</p>	
<p><u>Re-Recommendation *</u></p> <p>Appeals should be regularly monitored and, where appropriate, actions taken to help ensure that the three month deadline is met.</p>	<p><u>Rating</u></p> <p style="text-align: center;">Priority 2</p>
<p><u>Management Response and Accountable Manager</u></p> <p>Response: Regular monitoring is undertaken. The 3 month timeframe was adopted in line with the DWP good practice guide but it should be noted that turnaround time can be affected by the complexity of the case and the requirement to seek additional informational information.</p> <p>Accountable Manager: Revenues and Benefits Manager</p>	<p><u>Agreed timescale</u></p> <p>On-going</p>

Assurance Level

Assurance Level	Definition
Substantial Assurance	There is a sound system of control in place to achieve the service or system objectives. Risks are being managed effectively and any issues identified are minor in nature.
Reasonable Assurance	There is generally a sound system of control in place but there are weaknesses which put some of the service or system objectives at risk. Management attention is required.
Limited Assurance	There are significant control weaknesses which put the service or system objectives at risk. If unresolved these may result in error, abuse, loss or reputational damage and therefore require urgent management attention.
No Assurance	There are major weaknesses in the control environment. The service or system is exposed to the risk of significant error, abuse, loss or reputational damage. Immediate action must be taken by management to resolve the issues identified.

Recommendation ratings

Risk rating	Definition
Priority 1	A high priority finding which indicates a fundamental weakness or failure in control which could lead to service or system objectives not being achieved. The Council is exposed to significant risk and management should address the recommendation urgently.
Priority 2	A medium priority finding which indicates a weakness in control that could lead to service or system objectives not being achieved. Timely management action is required to address the recommendation and mitigate the risk.
Priority 3	A low priority finding which has identified that the efficiency or effectiveness of the control environment could be improved. Management action is suggested to enhance existing controls.