

SUBJECT:	INTERNAL AUDIT REPORT – HOUSING BENEFITS AND COUNCIL TAX SUPPORT
DIRECTORATE:	CHIEF EXECUTIVE
REPORT AUTHOR:	MARTIN WALMSLEY, HEAD OF SHARED REVENUES AND BENEFITS

1. Purpose of Report

- 1.1 To inform this committee of a recent audit carried out by Audit Lincolnshire with regard to payment of Housing Benefit and Council Tax Support by our shared service.

2. Executive Summary

- 2.1 Audit Lincolnshire published a report on 27th May 2016, seeking assurance on the following aspects of Benefits provision by our shared service:

- Claims being correctly processed;
- Effective quality systems being in place;
- Subsidy arrangements (and lessons learned) being effective;
- Council Tax Support Scheme being managed effectively.

- 2.2 The outcome of the audit was positive with ‘Substantial Assurance’ achieved.

- 2.3 The report makes a number of recommendations, which are included as Appendix 1 to the report with updates on progress against the required actions.

3. Background

- 3.1 In 2015/16 the our Shared Revenues and Benefits Service paid;
- £52.5million in Housing Benefits to 13,601 claimants (caseload)
 - £12.5million Council Tax Support to 15,796 claimants (caseload).

An internal audit, carried out by Audit Lincolnshire, carried out on audit in early 2016 focussing on accuracy of claims assessment, quality control, subsidy arrangements and management of the Council Tax Support (CTS) schemes for both City of Lincoln and North Kesteven.

- 3.2 Officers within the shared service provided relevant information and data throughout the audit, so that a verdict on assurance as well as an appropriate action plan could be put into place.

- 3.3 The outcome of the audit was positive, with most areas giving assurance as to procedures and controls in place – with a ‘Substantial’ rating given. Substantial assurance as defined by Audit Lincolnshire, is:

Our critical review or assessment on the activity gives us a substantial level of confidence (assurance) on service delivery arrangements, management of risks, and operation of controls and / or performance.

There are some improvements needed in the application of controls to manage risks. However, the controls have been evaluated as adequate, appropriate and operating sufficiently so that the risk of the activity not achieving its objectives is medium to low.

4. Highlights of Report and Action Plan

4.1 Claims Processing:

Verification of supporting claim information and handling of valuable documents is effective. Initiatives are in place to advertise the need for customers to notify changes in their circumstance. Staff receive training and details of changes to processes, performance is managed effectively by management, and a 'conflicts of interest' protocol is in place.

However, further action is needed in relation to a formal training/development plan, some slight changes are recommended to the 'conflicts of interest' process, and learning arrangements need to be in place in relation to claim reviews/ appeals.

4.2 Quality:

Although checks are undertaken to determine accuracy of claims processing, development of a policy and updating of certain procedures is needed.

4.3 Subsidy:

By having a formal subsidy resource in place, this has led to improvements in a structured process and production of an action plan. All aspects of subsidy are being monitored and no recommendations on improvement were given.

4.4 Council Tax Support schemes:

The schemes for both partner authorities had been appropriately consulted upon and approved, and system parameters in place. The CTS fraud exercise from 2015/16 needs to be reviewed and the fraud monitoring spreadsheet updated/enhanced.

4.5 Action Plan:

Following discussions with management, an action plan has been agreed to implement to recommendations made. The Action Plan is included at Appendix 1 to this report with appropriate updates against actions.

5. Strategic Priorities

5.1 Protecting the poorest people in Lincoln and North Kesteven: The Benefits Service has a key role in reducing poverty and disadvantage; by ensuring residents receive the benefits they are entitled to and providing money/debt advice.

6. Organisational Impacts

6.1 Finance: Incorrect payment and/or subsidy classification of Housing Benefit can

have a significant impact on customers as well as subsidy due to the Councils. Incorrectly paid Council Tax Support can result in loss of Council Tax monies due to the Councils.

6.2 Legal Implications including Procurement Rules: There are no direct Legal or Procurement implications arising from this report.

6.3 Equality, Diversity & Human Rights: There are no direct Equality, Diversity or Human Rights implications arising from this report.

7. Risk Implications

7.1 A Risk Register is in place for the Revenues and Benefits shared service.

8. Recommendations

8.1 Members note the outcome of this audit report.

8.2 Members note progress against the associated Action Plan.

Is this a key decision? ~~Yes/No~~

Do the exempt information categories apply? ~~Yes/No~~

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? ~~Yes/No~~

How many appendices does the report contain? Appendix 1: Internal Audit Report – Housing Benefits and Council Tax Support

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