

Report to: **Audit Committee**

Date of Meeting: **13 October 2022**

Report Title: **Chief Auditor's Summary Audit and Risk Report**

Report By: **Tom Davies**
 Chief Auditor

Purpose of Report

To inform the Audit Committee of the key findings from the recent Housing Benefit audit.

Recommendation(s)

1. That the Audit Committee accepts the report..

Reasons for Recommendations

To monitor levels of control within the organisation.

Summary Report to Audit Committee

Housing Benefit

Background Information

This review was undertaken as part of the 2021/2022 agreed audit plan.

During the year 1st April 2021 to 31st March 2022, the Housing Benefit service paid more than £29 million in rent allowances to over 5,000 claimants in the Borough.

The administration of Housing Benefit plays a vital role in the economy of the Borough and it is therefore imperative that the service is carried out effectively, efficiently and economically.

This aspect of the Council's activities was last audited in 2018. The Service was then graded as **B: Satisfactory** and a number of minor improvement recommendations were made.

Overall Audit Assessment: B – Satisfactory

Most controls are in place and are working effectively. Some minor improvements are recommended to ensure statutory compliance, best practice and efficiency.

Key Findings

- The audit found that the Housing Benefit service is carried out effectively and efficiently, only exceeding its performance targets for processing both new claims and change in circumstances applications by a small margin during the period 2021/22.
- Over a period of two years (01/04/20 to 31/03/22), the Revenues & Benefits team took on the additional responsibility of administering Covid-19-related grant schemes (16 in total), the Test and Trace scheme and the Household Support Fund.
- At the end of January 2022, the Revenues and Benefits Service Manager retired after 38 years of service. Consequently, the team had to expand the roles of the three (2.8 FTE) existing Team Leaders to those of Interim Benefit Managers in order to share the additional duties. This arrangement was in place for a period of seven months, until a new Revenues and Benefits Service Manager was appointed in September 2022. Audit would like to acknowledge how well the team handled the additional duties, claim processing and managerial responsibilities during this difficult time.
- On 14th December 2016, Universal Credit full service went live within the Borough. Administered by the Department for Work and Pensions (DWP), Universal Credit now incorporates an allowance for housing costs within the claimant's benefit award.

- Consequently, the Housing Benefit section has seen a continual reduction in the number of live claims. In March 2015, the number of live claims was 11,483 and, over a period of seven years, the number of live Housing Benefit claims had decreased to 5,370 by 31st March 2022. Although the number of new claims has notably decreased, there are still a significant number of change of circumstance requests to be processed. This is due to the introduction of electronic income and benefits updates provided by the Department for Work and Pensions.
- The value of outstanding Housing Benefit overpayments has reduced from £2,566,004 (as at 31/03/17) to £1,441,701 (as at 31/03/22). Overpayments are recovered either by raising an invoice for claimants who are no longer in receipt of Housing Benefit, or via deductions from ongoing benefit entitlement. The audit found that overpayments, where invoices have been raised, are being monitored and actively pursued.
- The audit found that the value of “in benefit” debt reported by the Northgate system was incorrect, as the figures included overpayments where the debt had been cleared or where Housing Benefit had ceased. “In benefit” debt relates to the recovery of overpayments for claimants who are still currently receiving Housing Benefit.
- The audit has also made four recommendations regarding the overpayment write-off process to ensure that:
 - records remain accurate;
 - all Housing Benefit debts are approved for write-off at the appropriate level;
 - documentary evidence is retained for each approval.
- The National Fraud Initiative data matching exercise (conducted every two years) aims to prevent and detect fraud, whilst also identifying potential errors caused by duplicate payments.
- The last National Fraud Initiative exercise (covering the period 2020/21) identified 83 Housing Benefit-related data matches. When comparing these results with figures (358 matches) from the previous National Fraud Initiative exercise in 2018/19, there has been a significant reduction in the number of Housing Benefit-related matches. This can partly be explained by the decreasing live Housing Benefit caseload but is also a useful indication that controls to prevent duplicate and erroneous payments are working effectively.
- However, the exercise did highlight one isolated instance where a claimant had passed away but the date of death was earlier than that which had been reported to the Council. A Housing Benefit overpayment amounting to £7,434 was calculated for the period 22/07/19 to 16/08/20 and recovery action from the relevant housing association is underway.

Management Response

We agree with the findings and recommendations within the report.

~~~~~end~~~~~

## Timetable of Next Steps

1. Please include a list of key actions and the scheduled dates for these:

| Action | Key milestone | Due date (provisional) | Responsible |
|--------|---------------|------------------------|-------------|
| -      | -             | -                      | -           |

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## Wards Affected

None.

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## Implications

Please identify if this report contains any implications for the following:

|                                       |     |
|---------------------------------------|-----|
| Equalities and Community Cohesiveness | No  |
| Crime and Fear of Crime (Section 17)  | No  |
| Risk Management                       | Yes |
| Environmental Issues                  | No  |
| Economic/Financial Implications       | Yes |
| Human Rights Act                      | No  |
| Organisational Consequences           | No  |
| Local People's Views                  | No  |
| Anti-Poverty                          | No  |
| Climate Change                        | No  |

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## Additional Information

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## Officer to Contact

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