

Internal Audit Report

Joint Housing Benefits and Council Tax Reduction Scheme 2023/24

Draft report: 7 February 2024
Final report: 21 February 2024
Last audited: February 2023 (Substantial)

Audit Objective	To ensure that benefits are properly assessed and paid, in accordance with legislation and there are controls to identify overpayments and fraud and robust performance system in place.
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Assurance Opinion		Number of Actions					Key Risks Reviewed	
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	Priority	Joint	South	Vale	Reference	<ul style="list-style-type: none"> Inadequate segregation of duties resulting in the potential for fraudulent transactions. No formal guidance for officers, resulting in inconsistencies, errors, unauthorised claims, and lack of accountability. Claims are paid to ineligible applicants and for wrong amounts. Claims are not assessed in a timely manner or are fraudulently misappropriated causing reputational damage. Housing benefits and council tax reduction schemes do not comply with legislation. 	
		Priority 1	-	-	-	-		-
		Priority 2	-	-	-	-		-
		Priority 3	1	-	-	1		1
		Total	1	-	-	-		Appendix 1

Open actions (from previous audits)	The HBCTRS 2022/23 audit recommended three management actions. Since the review, two actions have been implemented and one priority 3 action in relation to review of pre-Covid aged debt remains open – work is ongoing in this area and is due for completion by 31 March 2024. Open actions are monitored and reported to the Joint Audit and Governance Committee (JAGC) quarterly.
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The audit scope included:

Objective	Audit Scope	
1	Policies and procedures	Policies and procedures are in place regarding payment which are available to relevant council and Capita staff.
2	Benefit assessments	Benefit assessments are correctly calculated, promptly undertaken, and adequate checks take place.
3	Benefit payments	Payments of housing benefits and council tax reduction scheme are managed appropriately with suitable supporting documentation.
4	Benefit overpayments	A suitable mechanism is in place to identify and recover benefit overpayments.
5	Fraud prevention	Processes are in place to prevent and detect fraud and for fraud referrals to the Department for Work and Pensions (DWP).
6	Performance	Performance is appropriately recorded, monitored, and reported.

Key Findings		
Objective	Audit Scope	
1	Policies and procedures	<ul style="list-style-type: none"> Comprehensive user guides for housing benefit procedures are maintained with One Revenues and Benefits systems. These are regularly reviewed and updated as required. Sufficient training is provided to all assessors.
2	Benefit assessments	<ul style="list-style-type: none"> Testing confirmed that benefit assessments are correctly calculated, promptly undertaken, and adequate checks take place. Checks are performed on assessments with an average of 10% financial errors detected. Annual uprating is managed and accurate.
3	Benefit payments	<ul style="list-style-type: none"> Payments of housing benefits and council tax reduction scheme are managed appropriately with suitable supporting documentation. Segregation of duties provide further controls in ensuring payments are appropriate.
4	Benefit overpayments	<ul style="list-style-type: none"> A suitable mechanism is in place to identify and recover benefit overpayments. Results of testing confirmed a robust mechanism is in place to identify and recover overpayments with overpayments raised in this financial year. From sample testing, 33.12% recovered by South and 21.94% by Vale. For South one debt is with legal being 66.88% value of the sample. Similarly for Vale, one debtor has an arrangement in place, representing 78.06%. Debts that are written off have followed the appropriate process and been fully approved
5	Fraud prevention	<ul style="list-style-type: none"> Processes are in place to prevent and detect fraud and for fraud referrals to the DWP. The Sanctions policy has only had a light review in 2021 and is due to be reviewed in 2024.
6	Performance	<ul style="list-style-type: none"> Performance is appropriately recorded, monitored, and reported. Quarterly statistics provided to DWP relating to speed of processing for new claims and changes of circumstance show both councils are performing above average compared with their peers. For local client checking, South and Vale are not on track to meet the target of 96% accuracy, having a cumulative December performance of 92.45% (South) and 95.31% (Vale). However, there are three months remaining in the financial year for this to improve.