

## **AUDIT REPORT 23'005**

### **HOUSING BENEFITS SUBSIDY REVIEW**

#### **EXECUTIVE SUMMARY**

A review has been undertaken of the Council's Housing Benefits Subsidy Claim in accordance with the 2022/23 Internal Audit Plan. The administration of the Housing Benefits system is a major activity for the Council. The Housing Benefits Team processes claims received from individuals requesting assistance for paying their rent and council tax. Claims are assessed and administered in accordance with the regulations detailed by the Department for Works and Pensions (DWP).

Housing Benefits expenditure is reclaimed by the Council from the DWP by completing a Subsidy Claim Form. The total subsidy claimed for 2021/22 amounted to approximately £12.7 million. Approximately £6.9 million is related to the private rental sector, and the balance for claimants within Council owned properties. Housing Benefits expenditure has been declining since the introduction of Universal Credit, with new benefit claims for working age claimants becoming the responsibility of the DWP. It was noted there has been a £1 million reduction in the subsidy claimed compared to 2020/21.

The External Auditor is required to verify the claim by testing a sample of individual benefit claims to confirm the accuracy of each award. The Council uses a computer software system to administer all benefit awards, subsidy calculations, etc. As part of a joined up audit approach, it was agreed that Internal Audit would undertake the majority of the testing and the External Auditor would thereafter review to ensure completeness and accuracy prior to their certification.

The testing required all details for processing each claim to be recorded within a database provided by the DWP. This involved cross referencing all processing entries to the original supporting evidence logged on document imaging software. The testing also confirmed the calculated benefit award to the actual benefit paid out to the claimant. The regulations detailing the various elements of a benefit award can be complex and detailed.

The audit found that in all cases sampled, agreement was found between the benefit paid when compared to the re-calculation of the award using the testing database. This is a positive outcome from the sample testing undertaken, given the volumes and complexities of cases involved.

This annual review is time consuming and technically demanding due to the complexity of the Regulations and the need for referencing entries within the database to the original source documents. The assistance provided by officers of the Benefits and Money Advice Service was much appreciated during this review.