

## **AUDIT REPORT 22'005**

### **HOUSING BENEFITS SUBSIDY REVIEW**

#### **EXECUTIVE SUMMARY**

A review has been undertaken of the Council's Housing Benefits Subsidy Claim in accordance with the 2021/22 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 can be reclaimed by the Council from the DWP by completing a Subsidy Claim Form. The total subsidy claimed for 2020/21 amounted to approximately £13.7 million. Approximately £7.5 million related to the private rental sector and the balance for claimants within Council owned properties. Expenditure and accompanying caseloads have been declining since the introduction of Universal Credit, with new benefit claims becoming the responsibility of the DWP.

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 rules detailing the various elements of a benefit award can be complex and detailed.

The audit found only one minor discrepancy regarding the start date for a benefit claim from the sample checked. This has now been corrected. In all other cases, 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 sample testing, given the volumes and complexities of cases involved.

This annual review continues to be 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 Housing Benefits Team was once again much appreciated during this review.