

AUDIT REPORT 19'005

HOUSING BENEFITS SUBSIDY REVIEW

EXECUTIVE SUMMARY

The administration of the Housing Benefit systems is a major activity for the Council's Financial Services, with in excess of £17 million having been paid out in 2017 / 2018. The service processed approximately 1,500 new claims and actioned approximately 14,000 individual changes to benefit claims during the year, with eligible expenditure reclaimed from the Government through a subsidy claim to the Department for Work and Pensions. 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 calculation 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 certification.

The testing required all details needed for processing each claim to be recorded within a database provided by the Department of Works and Pensions. 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.

From the sample checked, the audit found no significant discrepancies between the benefit actually paid when compared to the re-calculation of the award using the testing database. The minor errors noted involved the misclassification of a specific subsidy cell category and the recording of claimant income. However the errors were not material and did not require any amendment to the yearly subsidy claim.

This review has been particularly time consuming and technically demanding due to the complexity of the Regulations, and the need for referencing of entries within the database to the original source documents. The assistance provided by officers of the Housing Benefits Team was much appreciated during this review.