

# AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

15 March 2021

## Housing Benefit Subsidy Claim 2019-20

<b>Final Decision-Maker</b>	Audit, Governance and Standards Committee
<b>Lead Head of Service</b>	Stephen McGinnes, Director Mid Kent Services
<b>Lead Officer and Report Author</b>	Sheila Coburn, Head of Revenues and Benefits Shared Service
<b>Classification</b>	Public
<b>Wards affected</b>	All

### Executive Summary

Maidstone Borough Council pays Housing Benefit to residents on behalf of the Department of Work & Pensions (DWP).

A claim is submitted to the DWP for the recovery of the Housing Benefit paid to residents. Before the DWP makes any payment, a detailed audit is required to be carried out to ensure the accuracy of the claim.

The Audit was undertaken by Grant Thornton to certify the Housing Benefit Subsidy Claim for 2019-20. Whilst the audit identified 3 errors for which adjustment has been made, the original claim as presented by the Council was held to be 99.99% accurate.

### Purpose of Report

Report is for noting only.

### This report makes the following recommendations to this Committee:

That the Committee notes the findings of the Housing Benefit Grant Claim Audit undertaken by Grant Thornton.

### Timetable

<b>Meeting</b>	<b>Date</b>
Audit, Governance and Standards Committee	15 March 2021

# Housing Benefit Subsidy Claim 2019-20

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	In maintaining effective financial controls, the Council is able to confidently progress its priorities	Head of Revenues and Benefits Shared Service
<b>Cross Cutting Objectives</b>	No impact	Head of Revenues and Benefits Shared Service
<b>Risk Management</b>	The work undertaken by Grant Thornton provides external assurance to the Council on the effectiveness of arrangements for the accurate payment and recording of benefit expenditure	Head of Revenues and Benefits Shared Service
<b>Financial</b>	The adjustments outlined have minimal impact on the net value of the Council's claim and the level of error identified does not indicate any significant underlying control weaknesses.	Section 151 Officer & Finance Team
<b>Staffing</b>	No Impact	Head of Revenues and Benefits Shared Service
<b>Legal</b>	<p>The Department for Work and Pensions has developed the Housing Benefit Assurance Procedure (HBAP) that provides a comprehensive guide to providing assurance of Housing Benefit Subsidy claims submitted by Local Authorities including the testing methodology to establish a basis for the assurance and amendment of claims prior to final submission and the provision of the tools with which to conduct the assurance engagement.</p> <p>The Housing Benefit Grant Claim Audit by Grant Thornton was undertaken in accordance with the HBAP procedures.</p>	Head of Revenues and Benefits Shared Service

<b>Privacy and Data Protection</b>	No impact	Head of Revenues and Benefits Shared Service
<b>Equalities</b>	No impact	Head of Revenues and Benefits Shared Service
<b>Public Health</b>	No impact	Head of Revenues and Benefits Shared Service
<b>Crime and Disorder</b>	No impact	Head of Revenues and Benefits Shared Service
<b>Procurement</b>	No impact	Head of Revenues and Benefits Shared Service

## **2. INTRODUCTION AND BACKGROUND**

- 2.1 Each year the Housing Benefit audit process is due to be completed by 30 November, which is a deadline set by the Department of Work and Pensions (DWP).
- 2.2 Due to the COVID pandemic, the DWP recognised there might be operational issues with external audit companies and local authorities meeting this deadline so offered authorities an alternative deadline of 31 January 2021.
- 2.3 Unfortunately, due to staff resource issues at Grant Thornton, the Council had to request the DWP for a further extension to 31 March 2021.
- 2.4 External Audit undertook an initial sample check of 40 Housing Benefit claims across the main areas of expenditure and identified 1 error where other income had been incorrectly applied in a case in receipt of Employment & Support Allowance (ESA).
- 2.5 As a result of the error identified, all claims in receipt of ESA and other income were reviewed and no further errors were found.

- 2.6 External Audit were required to carry out testing on prior year errors for earned income and tested an additional sample of 40 cases.
- 2.7 Two cases resulted in an overpayment of Housing Benefit to a total of £55 due to miscalculating the claimants' earned income.
- 2.8 External Audit carried out further tests on a sample of 40 cases for Working Tax Credit and Child Tax Credit.
- 2.9 One error was identified with a value of £1 due to an incorrect value of Working Tax Credit being applied.
- 2.10 Two cases were identified which had been incorrectly classified in the cells on the return. These amounts of £159 and £260 have been amended on the Subsidy claim form.
- 2.11 The value of errors provided for a total gross adjustment of £168. That error rate suggests the original claim as presented by the Council was 99.99% accurate.
- 2.12 The Revenues and Benefits Service carried out over 50,000 benefit assessments during 2019-20 and whilst that work is undertaken with a high degree of accuracy, supported by robust quality assurance measures, a level of error is unavoidable. It is commonplace for Housing Benefit grant claims to be qualified.
- 2.13 Due to the number and type of errors identified, it is not proposed to have an action plan put in place. Staff will be reminded of the importance to ensure figures are not transposed and calculations are double checked to minimise errors in future.

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### **3. AVAILABLE OPTIONS**

- 3.1 Report is provided for information only.

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### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 Report is produced for information only.

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### **5. RISK**

- 5.1 This report is presented for information only and has no risk management implications

## **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

6.1 The report is provided for information only with no consultation required.

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## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

7.1 Report is provided for information only.

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## **8. REPORT APPENDICES**

8.1 Appendix 1: to follow – Grant Thornton Qualification Letter

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## **9. BACKGROUND PAPERS**

None