

Report to Audit Committee

Agenda
Item:

A.4

Meeting Date: 20 May 2021
Portfolio: Finance, Governance and Resources
Key Decision: Not applicable
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: HOUSING SUBSIDY GRANT LETTER 2019/20
Report of: Corporate Director of Finance and Resources.
Report Number: RD.01/21

Purpose / Summary:

This report provides the Audit Committee with details of the completed audit of the Housing Benefit Subsidy Claim for 2019/20 undertaken by Mazars.

Recommendations:

The Audit Committee is asked to note the contents of the Housing Benefit Subsidy Report for 2019/20.

Tracking

Audit Committee	20 May 2021
Overview and Scrutiny:	Not applicable
Council:	Not applicable



EXTRACTS FROM ASSURANCE REPORT IN RELATION TO 2019/20 HOUSING BENEFITS

Summary of HBAP report

Summary of testing arising from Cumulative Assurance Knowledge and Experience

In line with the requirements of HBAP Modules we have undertaken CAKE testing based upon the preceding HBAP report. We undertook this testing for:

Rent allowances Cell 094 overpaid Benefit due to income calculation error.

There were no errors in the CAKE testing. However, there was an underpayment of benefit in our initial testing of 20 cases which is reported as an observation in Appendix B. Therefore, although there are no errors and an extrapolation is not reported, the issue is not considered closed.

Summary of Initial Testing

In accordance with HBAP modules an initial sample of cases was completed for all general expenditure cells. We undertook this testing.

Cell 011 Non HRA Rent Rebate

No claims were found to be in error. There was one case where there was an underpayment of benefit and this is reported as an observation in Appendix B.

The Council had obtained confirmation of claimants' benefits income where appropriate, but not in the way specified in its Risk Based Verification (RBV) policy and this is reported as an observation in Appendix B.

The Council has not carried out an annual review of its RBV policy and this is reported in Appendix D.

Cell 055 HRA rent rebate

There are no HRA rent rebate cases at Carlisle City Council.

Cell 094 Rent Allowance

No claims were found to be in error. There was one case where there was an underpayment of benefit and this is reported as an observation in Appendix B.

The Council had obtained confirmation of the claimants' benefits income, where appropriate, but not in the way specified in its Risk Based Verification (RBV) policy and this is reported as an observation in Appendix B.

The Council has not carried out an annual review of its RBV policy and this is reported in Appendix D.

Completion of Modules

Completion of Module 2 – Updating Checklist

We have completed module 2 and no issues were identified.

Completion of module 5 – Software Diagnostic Tool

We have completed the questionnaire for the appropriate software supplier and no issues were identified.

Completion of other tests in Module 1

Modified Schemes

The required testing was undertaken in relation to modified schemes. We undertook testing.

No errors were identified

Other Tests

We have completed the remaining tests in Module 1. Test 9 requires confirmation that the authority's local discretionary scheme has been approved by full Council. Evidence was not available and further detail is shown in Appendix D.

Summary paragraph / ending of letter

From the form MPF720A dated 30 April 2020 for the year ending 31 March 2020 we have completed the specific test requirements detailed in the DWP reporting framework instructions HBAP and have identified the following results set out in Appendices A, B, C and D.

Appendix A – Exceptions / errors found

There are no exceptions / errors to report.

Appendix B – Observations

Underpaid benefit

Our initial testing of 20 cases in Cell 011 identified a case where, due to a processing error, a benefit payment of £406.26 had not been actioned. As there is no eligibility to subsidy for benefit which has not been paid, the underpayment identified does not affect the subsidy and has not, therefore, been classified as an error for subsidy purposes. Because this error will always result in an underpayment of benefit, additional testing has not been undertaken.

Our initial testing of 20 cases in Cell 094 identified a case where the Authority had incorrectly calculated the claimant's income. This was due to a WURTI document showing 24 weeks' income in 21 lines. The total income had been divided by 21 instead of 24. There was an underpayment of £165.75, being £12.75 per week for 13 weeks. As noted earlier in our report, we had completed CAKE testing for the calculation of income and there were no errors. This kind of error could also result in an overpayment. Therefore, although there are no errors and an extrapolation is not reported, the issue is not considered closed.

RBV policy

The Council's RBV policy states that for low risk claims a CIS check will be completed to confirm benefits in payment. We found 11 cases of our initial 20 cases for NHRA testing and 1 of 20 cases in our initial Rent Allowance Testing, the value of the benefits in payment had been verified to other sources of evidence. We concluded that the value of housing benefit awarded was correct in all cases.

Appendix C – Amendments to the claim form MPF720A

There are no amendments to the claim form.

Appendix D – Additional issues

RBV policy

The Council introduced its RBV policy in 2018 and was due for review in 2019. However, a review has not been carried out. We have used the 2081 RBV policy for our testing.

Local discretionary scheme

HBAP test 9 requires confirmation that has the local discretionary scheme been agreed by full council. The City Council's scheme has been in place for a number of years and the Council could not provide evidence that the scheme has been approved by full Council.