

Area of Review	Housing Benefits
Level of Assurance	<p>Limited</p> <p>Limited assurance is given where controls in place are not always applied and objectives may not be achieved, meaning the Council is exposed to the risk of financial loss, fraud or the loss of reputation.</p>
<p>Objectives of Review</p> <ol style="list-style-type: none"> 1. That effective claim administrative arrangements are in place 2. That claims are processed accurately and in a timely manner 3. That overpayments are effectively managed 4. That effective arrangements are in place to prevent and detect fraud 5. That payments are correctly accounted for 	
<p>Key Findings</p> <p>Control Objective 1 – That effective claim admin arrangements are in place</p> <ul style="list-style-type: none"> ➤ There are a lack of written internal procedures for staff to follow when processing new claims and change of circumstances. ➤ Processes ensure that claimants for both new cases and change of circumstance cases provide the relevant information and documentation. ➤ Testing found that there are controls in place which ensure that sensitive information is securely held in the organisation ➤ Testing found that there continues to be satisfactory back up processes in place for the Academy system, which ensures that continuity of service can continue as much as possible in the event of system failures. <p>Control Objective 2 – That claims are processed accurately and in a timely manner</p> <ul style="list-style-type: none"> ➤ Up to date housing benefit parameters are in place to reduce the risk of inaccurate claim assessments no errors were found in our sample testing. ➤ Quality checking of benefits claims was not undertaken consistently throughout 2018/19, (Oct 18 – Mid Jan 19), this meant we did not comply with legislation, (The Contracting Out (Functions of Local Authorities, Income-Related Benefits Order 2002). It is noted that new arrangements have been established. ➤ Performance on both accuracy and timeliness of processing claims currently meet target levels. ➤ There is monthly reporting on housing benefit performance as part of the 5 Councils Partnership governance arrangements. Gaps had occurred relating to Hart's performance data throughout the year but were resolved for the last reporting period. 	

Control Objective 3 – That overpayments are effectively managed

- The Councils debt recovery performance significantly underperforms when compared against nearby authorities.
- The majority of the cases tested in the audit sample did not have the relevant set of reminder letters sent out due to an IT problem caused by the conversion from CIVICA to Academy. Letters are currently being done manually.
- Appropriate controls are in place regarding write offs including segregation of duties and ensuring each write off has adequate reasoning.

Control Objective 4 – That effective arrangements are in place to prevent and detect fraud

- Testing found that where suspected fraud is identified, cases are referred to the Department for Work & Pensions for investigation.
- The council has an established and up to date Anti-Fraud policy in place.
- Capita staff who deal with processing claims, changes of circumstances and overpayments on a constant basis have undertaken satisfactory fraud awareness training.

Control Objective 5 - That payments are correctly accounted for

- There is a reconciliation between Academy and Integra which should be undertaken on a monthly basis. However, whilst the reconciliations were up to date at the time of audit testing it was noted that delays had occurred throughout the year as to when they had been completed.

Appendix 4

	Recommendation	Risk Category	Responsible Officer	Management Response	Action Date
1.	Capita to provide an update on progress being made to harmonise procedures and processes.	Low	Contract Director Capita	Agreed. 4 processes (2 benefits, 2 ctax) are being trialled for harmonisation this pilot will be built upon for further processes. An update will be provided by 31 st May	June 19
2.	The quality checking process needs to be consistently applied by the Central Client Team to comply with both legislation and the Inter Authority Agreement.	High	Senior Client Executive 5 Councils Client Team	Quality checking was reinstated in January 2019, following approval of the Inter Authority Agreement. This formally enabled staff for other authorities to carry out this work for Hart.	Feb 19
3.	All performance information reporting relating to Hart should be collected from Capita to ensure it is always complete,	Medium	Contract Director Capita	Agreed	April 19
4.	Technical issues preventing the automated sending of overpayment reminders should be resolved as a matter of priority.	High	Contract Director Capita	Agreed. We have a plan in place and we should be able to resume the automated sending of reminders by end of March 19.	April 19

Appendix 4

5.	A plan should be established to improve performance on the recovery of Housing Benefit overpayments.	High	Contract Director Capita	Agreed. A recovery timetable will be produced by end April	May 19
6.	All supporting information for write off requests must be retained and stored on Information@Work.	Medium	Contract Director Capita	Agreed	May 19
7.	Academy to Integra reconciliation process must be carried out in a timely manner.	Medium	Senior Accountant Capita	Agreed	April 19