

## **EXTERNAL AUDIT – HOUSING AND COUNCIL TAX BENEFIT GRANT 2012/13**

### **Audit Committee – 14 January 2014**

Report of Chief Finance Officer

Status: For Information

Key Decision: No

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**Executive Summary:** Housing and Council Tax Benefit Grant remains a highly complex area and the audit of the 2012/13 grant has been amended and qualified but with significantly fewer errors than in 2011/12. This improvement has been reflected in the reduced audit fee.

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**This report supports the Key Aim of providing value for money.**

**Portfolio Holder** Cllr. Ramsay

**Contact Officer(s)** Adrian Rowbotham Ext. 7153

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**Recommendation to Audit Committee:** That the report be noted.

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### **Introduction**

- 1 Grant Thornton, as the Council's external auditor, is required to certify certain grant claims submitted by the Council. This certification typically takes place 6-12 months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.
- 2 The following two grants were audited as they were above the £125,000 limit where certification is required:
  - Housing and council tax benefit scheme (value £35m).
  - National non-domestic rates return (value £35m).

### **Audit Outcome**

- 3 The National non-domestic rates return was certified with a £46 amendment but was not qualified.
- 4 By far the most complex claim is the Housing and Council Tax Benefits claim which was amended and qualified.
- 5 Errors were identified in the 2012/13 return; however the number has greatly reduced from 2011/12. This reflects the measures taken to implement a new

system, increase training and the quality assurance process. Although the impact of these errors on the value of the overall claim was relatively minimal, it is important to claimants that their benefit is calculated correctly. The DWP stipulates high standards of accuracy resulting in any claims being incorrect by as little as 1p are classified as errors and additional testing is then required on a larger sample.

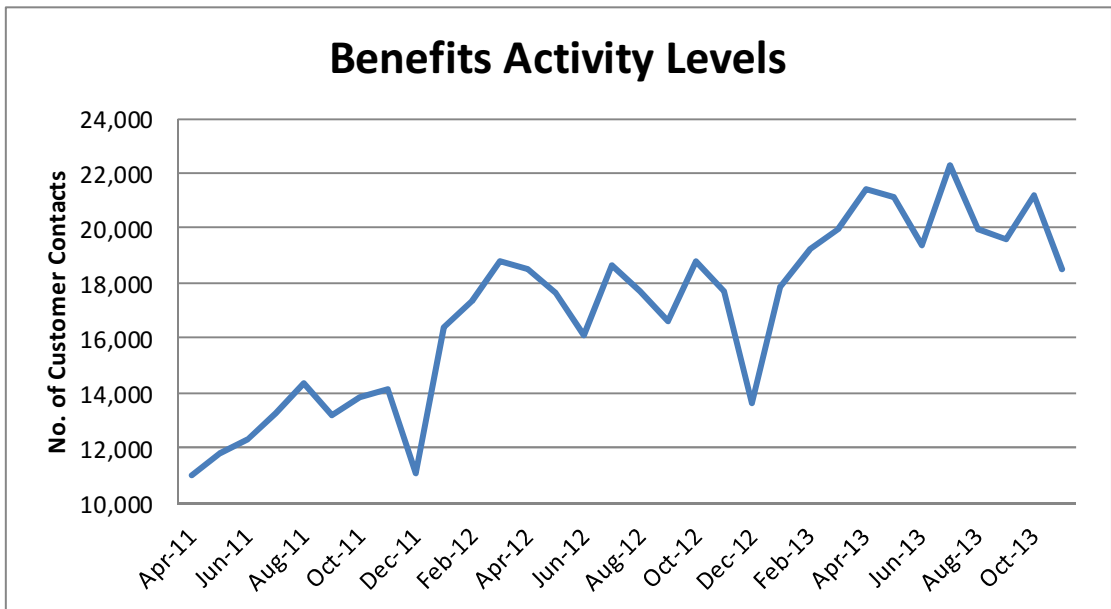
- 6 The audit fee for grant claims in 2012/13 is £20,650 (subject to confirmation by the Audit Commission). This is significantly less than the £51,662 charged in 2011/12.

**Actions being taken**

- 7 There is one recommendation included in the Action Plan at Appendix A. Actions are already being taken to address this issue.
- 8 Benefits staff will work with Grant Thornton to ensure that the benefits grant claim continues to improve each year.

**Benefits Performance**

- 9 The Benefits Service is one of the services provided by the partnership between Sevenoaks District Council and Dartford Borough Council which commenced on 13 December 2010.
- 10 As reported to the Audit Committee on 11 June 2013, demands on the Benefits Service have significantly increased due to the economic climate. The graph below shows that the number of customer contacts for the Benefits Partnership continues to be high.



- 11 The main performance indicator for the Benefits Service is the 'Average number of days to process new claims'. This peaked at 58 days in June 2012 but has now been brought down to 26 days in November 2013 (the target is 30 days).

- 12 Activity levels were the major reason why activity levels originally worsened but there were also several other factors including the following:
- The difficulty in recruiting assessors in an environment where people are changing careers due to the uncertainty caused by Universal credit for Benefits professionals.
  - Staff spending time preparing for the welfare reform changes.
  - The uncertainties and complexities of other benefits are causing staff to spend more time with people who are contacting the service.
- 13 We have taken a number of actions to address these issues which has resulted in the significant improvement in performance. These actions include:
- Recruited additional temporary staff in a competitive market.
  - The development of the apprentices who started with the service in 2010.
  - Using an external agency to process some claims on a unit cost basis.
  - Redirected some calls to the Dartford BC Contact Centre.
  - Re-engineered some processes.
- 14 Both authorities have allocated extra resources to fund this approach.
- 15 These actions have resulted in claims being dealt with much faster and also reduced the number of errors.

### **Key Implications**

#### Financial

The financial implications are included elsewhere in the report.

#### Legal Implications and Risk Assessment Statement.

There are no legal implications.

The work carried out by the external auditors provides a thorough examination of the grant claim processes of the Council. Any significant issues found are reported to Members.

#### Equality Impacts

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate	No	

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
against different groups in the community?		
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	No	
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		

**Appendices**

Appendix A – Grant Thornton – Certification Work Report 2012/13 – Action Plan

**Background Papers:**

None

**Adrian Rowbotham  
Chief Finance Officer**