

NORTH LANARKSHIRE COUNCIL  
REPORT

To:	POLICY & RESOURCES (FINANCE & CUSTOMER SERVICES) SUB-COMMITTEE	Subject:	AUDIT SCOTLAND REPORT – “HOUSING BENEFITS (HB) PERFORMANCE AUDIT – OUTCOME OF RISK ASSESSMENT”
From:	HEAD OF REVENUE SERVICES		
Date:	12 November 2015	Ref:	BC /

**1 Introduction**

- 1.1 This report summarises the findings by Audit Scotland, from their audit work during September and October 2015 on the Council's benefit service, conducted as part of their periodic review on benefits performance.

**2 Background**

- 2.1 The Accounts Commission has responsibility for auditing Housing Benefit (HB) services in Scotland. The approach to the audit programme is driven by a risk based model and Audit Scotland review all 32 councils over a 3 year programme period.
- 2.2 The Council was last reviewed in 2010/11 and was notified in July 2015 that it would be subject to a further review in 2015/16. The approach to the review is summarised below:
- The Council submitted a self assessment return in August 2015.
  - Audit Scotland conducted an on-site visit to test, interview, and gather additional information
  - Audit Scotland have considered their findings and issued the risk assessment report for the Council

**3 Report Findings**

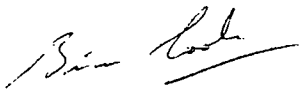
- 3.1 Since the previous review the benefit service has been involved with a number of initiatives and changes including:
- 3.1.1 Organisational restructure and office relocation in 2012
- 3.1.2 Migration to new Revenues & Benefits software platform during late 2012 / early 2013
- 3.1.3 Introduction of Welfare Reform changes
- Council Tax Reduction Scheme in 2013
  - Removal of Spare Room Subsidy (“Bedroom Tax”) in 2013
  - Increase in scale of Discretionary Housing Payments (DHP) scheme in 2013
- 3.1.4 Transfer of staff to the Single Fraud Investigation Service (SFIS) in 2014
- 3.1.5 Rollout of Universal Credit (UC) pilot in 2015
- 3.2 The report summarises its findings under two main headings which are summarised below:
- 3.2.1 *Business Planning and Reporting* - the report found no areas that constituted a risk to improvement. The report identified that there was a Revenues & Benefits Business Plan with objectives, targets and action plan. The Service regularly reports performance to Revenues & Benefits management team, Head of Service, Committee, continuous improvement group, and team meetings
- 3.2.2 *Delivering Outcomes* - there are a number of areas covered which are summarised below. Audit Scotland only identified a risk to improvement within one of these areas.

- Speed of Processing – the report confirms that despite the challenges faced by the service the speed of processing has remained relatively steady, although not as strong as it once was. No areas were identified that constituted a risk to improvement.
- Accuracy – the report found that whilst results of accuracy checking were fed back to individuals and collectively reported to management the level of data collected on the error was not sufficiently detailed to facilitate continuous improvement and enable the authority to learn from the error. In addition there was a need to strengthen the checking process to ensure that there is a consistent approach to checking and learning across the different teams. Appendix 1 contains the risks to improvement identified in this area and a commentary from the Council detailing the actions taken to respond to the findings.
- Overpayments – the report recognised that the Council has a number of effective practices in place to minimise overpayments of HB. No areas were identified that constituted a risk to improvement.
- Counter Fraud – The Council managed the transfer to SFIS in October 2014 in line with the DWP's timetable. In common with other local authorities the Council is receiving limited management information from the DWP on the status and performance on referrals. No areas were identified that constituted a risk to improvement.

#### 4 **Recommendation**

The sub-Committee is asked to:

- (a) Note the report



#### **HEAD OF REVENUE SERVICES**

For further information please contact Brian Cook, Head of Revenue Services,  
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**Appendix 1**

Risks to Continuous Improvement	NLC Response	Officer	Timescale
<p>1 The Service commits to checking 150 cases each month but management information shows that this does not happen. There has been a trend over the last two years for reduced or no checking activity as is the case with the north team, during quarter one.</p>	<p>The Council amended procedures in October which will ensure that 150 completed checks (44 by North Area, 44 by South Area, 30 by Support Team and 32 for Private benefits) are forwarded to Support Team by the last working day of the month. The procedures state that these checks should be spread evenly over the month and the date the check was conducted will act as a monitoring measure.</p>	<p>Benefits Managers / Continuous Improvement Group</p>	<p>Completed</p>
<p>2 Cases to be checked are selected randomly or can at times focus on individual officers whether they are new members of staff or returning after extended leave. However, there is no focus on risk linked to the types of errors found such as income for standard cases which featured strongly in the internal audit report.</p>	<p>Two daily reports were introduced in October allowing the Benefit Team Leaders to identify appropriate cases for checking. These reports allow flexibility of selection on the basis of claim types where a particular error trend has been identified through previous checking analysis or individual officers etc. The Team Leader will have full control over the cases they select and will now indicate on the full return the reason why a particular claim has been selected.</p>	<p>Benefits Managers / Continuous Improvement Group</p>	<p>Completed</p>
<p>3 There is a lack of consistency in the findings across the three area teams. The checks are done by three team leaders and management information shows that one section identifies more errors than the others. However, there is no analysis to establish whether this is because there are</p>	<p>During November the Council introduced a revised and updated checking pro-forma to ensure consistency of approach to each check. The new form incorporates a more robust check and is more comprehensive than the previous form. All future analysis will now allow comparable analysis on the basis of error identified without any remaining issues over the consistency and quality of the original check.</p>	<p>Benefits Managers / Continuous Improvement Group</p>	<p>Completed</p>

<p>actually more errors there, or because the other two sections do not have as robust an approach to checking.</p>			
<p>4 The audit trail of both the first and second checks is not sufficiently detailed to aid continuous improvement. The Council needs to extend the information it keeps to not only record the reason for the error, but make clear in which area there has been a financial error and what the findings are from the second check. This information should be used to inform the summary analysis. This should be used to aid and maintain consistency across the three teams and should facilitate improved accuracy.</p>	<p>In October the level of detail in the audit trail was expanded to include descriptive reasons for the cause of error for claims checked. Also, additional fields have been applied to the second check area to identify whether the original check failed to detect an error and, if so, detail the type of error that was missed.</p> <p>The Summary Analysis will detail the information held on the audit trail and will form the basis of the monthly and quarterly reports to Benefit Managers for discussion at the Benefits Continuous Improvement Group.</p> <p>The revised procedures will address the concerns over consistency and allow proper analysis of the detected errors on a Service, Area Team and individual basis and use this information to inform future checking, selection and staff training and advice programmes.</p>	<p>Benefits Managers / Continuous Improvement Group</p>	<p>Completed</p>