



Council Tax Support & Housing Benefits

City of York Council

Internal Audit Report

Business Unit: Customer and Communities Directorate
Responsible Officer: Director of Customer and Communities
Service Manager: Head of Customer and Exchequer Services
Date Issued: 14/11/22
Status: Final
Reference: A1340/001

	P1	P2	P3
Actions	0	0	0
Overall Audit Opinion	Substantial Assurance		

Summary and Overall Conclusions

Introduction

York's local Council Tax Support (CTS) scheme is a means tested council tax discount scheme. It provides up to a maximum 77.5% discount for eligible applicants of working age and, as required by central government, up to a 100% discount for eligible applicants of pension credit age.

The Housing Benefit (HB) scheme is a means tested scheme for tenants and provides eligible applicants with a financial contribution towards the payment of their rent. The benefit is paid depending on the type of landlord. For council tenants it is paid directly to their rent account, and for private tenants it is paid directly to the landlord.

The Council currently has a combined total of 9,657¹ claimants for Council Tax Support and Housing Benefit.

In March 2020, in response to the Covid-19 pandemic, the Council implemented additional council tax support by way of the Covid-19 Discretionary Hardship payments, which was followed later in the year by the Self-Isolation payments. These measures have now been withdrawn.

Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system ensure that:

- There are suitable quality assurance checks in place for CTS and HB applications, changes in circumstances, and decision disputes, to confirm these are assessed accurately, correctly and within a reasonable timeframe.
- Suitable performance monitoring is undertaken for overpayments and adjustments, including recovery efforts; write offs are appropriately authorised.
- The performance of the Council's CTS and HB function is monitored and benchmarked against other councils.

The audit also followed up the action agreed during the 2020/21 Council Tax Support and Housing Benefit audit to confirm whether it had been completed.

Key Findings

A sound control environment was found to be in place, with suitable quality assurance and performance monitoring controls in operation.

¹ Figure accurate as of April 2022.

A suitable system of quality assurance (QA) is in place for new CTS and HB claims and changes in circumstance, ensuring claims are calculated correctly, accurately and within a reasonable timeframe. QA checks are completed using checking templates that cover key areas recommended in good practice guidance such as key claim-related dates, personal and household details, and evidence required to support the claim. Each month the service reviews at least 4% of all assessments made, with sample selection targeting cases that present a higher risk of incorrect calculation such as high adjustments. Separation of duties is in place for the completion of QA checks and audit testing found all of these were completed by a different officer than the original assessor. Volumes and types of errors are identified and recorded as part of the quality assurance process. The outcome of QA checks is fed back to officers and reminders are sent to assessors to address any issues that have been identified.

Appeals are tracked via the appeals spreadsheet which records progress and outcomes. Information from the appeals spreadsheet is included in the performance information circulated to service managers and the Head of Customer, Resident and Exchequer Services.

When the Covid-19 Self-Isolation payment scheme was in place, claims were assessed prior to payment being made. At the time of the 2020/21 audit a post-payment assurance plan for Covid-19 Self-Isolation payments was being formulated. An action was agreed for the service to check a sample of Covid-19 self-isolation payments to test the viability of completing post-payment checks on 10% of all payments. Officers reported that, following this action being agreed, the number of payments increased significantly, and it was therefore decided that post-payment checks would not be viable due to workload and available resources. Instead, officers stated that they remained vigilant to any claims where there were concerns. Several cases were subsequently referred to Veritau's counter-fraud team for further investigation. While the action was not completed as originally agreed, officers have taken reasonable steps to investigate and recover funds where there were particular concerns.

Overpayment data is collected regularly and summarised for performance management purposes. Recovery of overpayment debt dropped during the Covid-19 pandemic due to the corporate pause in recovery activity. Invoiced recovery exceeded performance targets in 2021/22, but clawback was below target. Officers explained this was due to a reduced caseload. Write offs of overpayments stood at 2.5% (£98K) for 2021/22 which is consistent with previous year's figures. Audit testing found that all write offs reviewed had been appropriately authorised and had suitable reasons documented.

Performance data is collected monthly across the key functions in CTS and HB and circulated to management for review. Benchmarking activity is undertaken regularly with other local authorities², with quarterly meetings held for discussion of performance figures. Caseloads and processing times are monitored monthly by the Revenues/Benefits and Subsidy Manager. HB processing times for 2021/22 were better than the average in England and in line with Council targets for new claims. Council Tax Support processing times have increased since 2019/20 and were above target for new claims in 2021/22. These had been allowed to increase to accommodate additional work projects required by central government, but it was noted that processing times decreased in the final quarter of 2021/22.

² Via the North East Yorkshire, Lincolnshire and the Humber Joint Operational board.

Overall Conclusions

A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited. Our overall opinion of the controls within the system at the time of the audit was that they provided Substantial Assurance.

Audit Opinions and Priorities for Actions

Audit Opinions

Our work is based on using a variety of audit techniques to test the operation of systems. This may include sampling and data analysis of wider populations. It cannot guarantee the elimination of fraud or error. Our opinion relates only to the objectives set out in the audit scope and is based on risks related to those objectives that we identify at the time of the audit.

Our overall audit opinion is based on 4 grades of opinion, as set out below.

Opinion	Assessment of internal control
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

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