

EAST RENFREWSHIRE COUNCIL  
AUDIT AND SCRUTINY COMMITTEE

10 November 2016

Report by Clerk

NATIONAL AND LOCAL EXTERNAL AUDIT REPORTS

BENEFIT PERFORMANCE AUDIT ANNUAL UPDATE 2015/16; AND  
EAST RENFREWSHIRE COUNCIL AUDIT OF HOUSING BENEFIT RISK ASSESSMENT  
REPORT

**PURPOSE OF REPORT**

1. To provide information on the national Audit Scotland report *Benefit Performance Audit Annual Update 2015/16*; and local External Audit report *East Renfrewshire Council Audit of Housing Benefit Risk Assessment Report*.

**RECOMMENDATION**

2. It is recommended that the Committee considers the report.

**BACKGROUND**

3. A copy of the national Audit Scotland report *Benefit Performance Audit Annual Update 2015/16*; and a local External Audit report *East Renfrewshire Council Audit of Housing Benefit Risk Assessment Report*, published in September 2016, have already been circulated to all Audit and Scrutiny Committee Members. Under the Committee's specialisation arrangements, the Members who are leading the review of these reports are Councillor Wallace and Councillor Robertson. In accordance with arrangements established by the Committee for dealing with such reports, the Head of Business Change & Revenues has provided comments on them. A copy of the feedback is attached (see Appendix 1).

**RECOMMENDATION**

4. It is recommended that the Committee considers the report.

Local Government Access to Information Act 1985

Report Author: Linda Hutchison, Clerk to the Committee (Tel.No.0141 577 8388)

e-mail: [linda.hutchison@eastrenfrewshire.gov.uk](mailto:linda.hutchison@eastrenfrewshire.gov.uk)

Background Papers:-

1. Audit Scotland report *Benefit Performance Audit Annual Update 2015/16*
2. *East Renfrewshire Council Audit of Housing Benefit Risk Assessment Report*

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National External Audit Report: Benefit Performance Audit Annual Update 2015/16  
and Local External Audit: East Renfrewshire Council  
Audit of Housing Benefit Risk Assessment Report

Comments for Audit & Scrutiny Committee on 10 November 2016

Prepared by Head of Business Change Services & Revenues

October 2016

## **INTRODUCTION**

1. This paper aims to provide high level comments on the Council's position regarding the following reports:

- National External Audit Report: Benefit Performance Audit Annual Update 2015/16
- Local External Audit: East Renfrewshire Council Audit of Housing Benefit Risk Assessment Report, published July 2016.

## **BACKGROUND**

2. Each year Audit Scotland produces a national update on its Benefit Performance Audit. To produce this overview, Audit Scotland undertakes a Housing Benefit risk assessment in each council every two years. There is a follow-up on the resulting individual council action plans in the interim year.

3. East Renfrewshire Council participated in a risk assessment in 2016, having last been covered in 2014.

4. The purpose of this paper is to provide the Audit and Scrutiny Committee with comments on this year's national annual report and also the outcomes of the Council's own local risk assessment, reported in July 2016 to the Chief Executive.

## **COMMENTS**

### Benefit Performance Audit Annual Update 2015/16

5. The national report draws conclusions from the 11 risk assessments carried out in councils in 2015/16, which identified 45 risks. It also highlights that 85% of risks identified the previous year (2014/15) had been dealt with either fully or partially – this includes reference to East Renfrewshire Council's action plan from our last risk assessment. The overview report concludes that East Renfrewshire Council's update had been received and satisfactory progress had been made (see Appendix 2 of the report).

6. The report gives a summary of progress with welfare reform generally. Our report to Council in June 2016 gave a more detailed local update on this area.

7. Any other issues referenced in this Audit Scotland report have been dealt with in our more recent 2016 risk assessment which is covered in the next section.

## East Renfrewshire Council Audit of Housing Benefit Risk Assessment Report

8. Audit Scotland external auditors carried out a risk assessment of our Housing Benefits service in June 2016. The service undertook a self-assessment and provided supporting evidence. There was then an off-site analysis by the auditor followed by time on-site with senior managers. The work focused on:

- national and local priorities
- business planning and reporting
- delivering outcomes.

9. The auditor noted that, since the previous visit in October 2014, there had been significant changes to the service including changes at senior management level, service restructures and the transfer of benefit fraud work to the Department for Work and Pensions (DWP) as part of the creation of the Single Fraud Investigation Service (SFIS).

10. Despite these changes it was noted that the benefits service has continued to deliver an overall continuous improvement in the time taken to process claims.

11. In their letter to the Chief Executive, Audit Scotland noted that “it is commendable that a high level of accuracy has been maintained during this time, and that the time taken to process changes of circumstances placed the council as the joint top performer in Scotland, based on the DWP’s quarter three published performance data” – this is a significant improvement from the position of 13<sup>th</sup> in Scotland the previous year. Service management have however acknowledged that there is scope for improvement in respect of the time taken to process new claims.

12. Auditors remarked on the actions that the Council had taken since the last audit in 2014, with 6 actions complete and 3 ongoing. They also positively highlighted our work to update the debt recovery policy and review outstanding overpayments in 2016.

13. In line with some of the key issues identified in the national report above, some areas for improvement were identified and these have been developed into an action plan which has now been agreed with the auditors and is regularly monitored. This action plan constitutes 3 new risk areas and the 3 areas outstanding from the previous risk assessment. These include:

- reviewing deployment of management checking procedures
- reviewing our approach to intervention activity to allow us to better determine outcomes
- improving overpayment recovery rates and the information provided to senior management in this regard.

14. We are on track with our improvement actions and there will be a follow-up check on this action plan by Audit Scotland in 2017.

## **CONCLUSIONS**

15. Despite ongoing changes with welfare reform, the DWP has recently confirmed that Housing Benefit will remain a key service for councils to deliver well into the next decade. This is because the current Universal Credit (UC) and migration for working-age claimants is not planned for completion until 2022 and there are no plans to begin the incorporation or Housing Benefit for pensioners until completion of the UC timetable.

16. The national annual overview of benefit performance links to our own recent Housing Benefit risk assessment, which had a positive outcome, particularly when seen in the context of the level of change that the service has faced in the last year.

17. The auditors concluded that “the council demonstrates an awareness of what constitutes and effective, efficient and secure benefit service”, and identified a small number of improvement actions which will now be taken forward during the year. These are in line with national issues common to many councils.

Comments from:-

Louise Pringle, Head of Business Change & Revenues;

24 October 2016

## **BACKGROUND**

- Continued Delivery of Housing Benefit, Letter to Chief Executive from Clare Elliot, Deputy Director of DWP Housing Division, 15 September 2016
- Housing Benefit Performance Audit – Outcome of Risk Assessment, letter to Chief Executive 27 July 2016
- Welfare Reform Contingency Fund & Update on Welfare Reform, Council 15 June 2016
- Collection of Council Revenues – Debt Recovery Policy, Cabinet 16 June 2016
- National External Audit Reports: Benefits Performance Audit Annual Update 2014/15 and Review of Activity to Reduce Fraud and Error in Housing Benefit, Audit & Scrutiny Committee February 2016

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