

EAST RENFREWSHIRE COUNCIL

AUDIT AND SCRUTINY COMMITTEE

16 January 2014

Report by Clerk

NATIONAL EXTERNAL AUDIT REPORT

2012/13 BENEFITS PERFORMANCE AUDIT ANNUAL UPDATE

PURPOSE OF REPORT

1. To provide information on the Audit Scotland report prepared for the Accounts Commission on the *2012/13 Benefits Performance Audit Annual Update*.

RECOMMENDATION

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

BENEFITS PERFORMANCE AUDIT ANNUAL UPDATE 2012/13

3. A copy of the Audit Scotland report prepared for the Accounts Commission on the *2012/13 Benefits Performance Audit Annual Update* has already been circulated to all Audit and Scrutiny Committee Members. The Members who are leading the review of this particular report are Councillor Wallace and Councillor O’Kane. In accordance with arrangements established by the Committee for dealing with such reports, the Head of Revenue has provided comments on it. The feedback received from him is attached to this report (see Appendix).

RECOMMENDATION

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

Local Government Access to Information Act 1985

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Background Papers:- Audit Scotland report prepared for the Accounts Commission *2012/13 Benefits Performance Audit Annual Update*

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16 January 2014

AUDIT SCOTLAND - BENEFITS PERFORMANCE AUDIT ANNUAL UPDATE

INTRODUCTION

1. Audit Scotland undertakes benefits performance audits of all Scottish Councils on a phased programme over 3 years and provides annual reports outlining their main findings and risks identified over that year. In November 2012 during the period covered by the most recent report, East Renfrewshire Council's Benefits Service was inspected and some information regarding that inspection is contained in the report which was published in August 2013.

REPORT

2. The main areas of concern which were experienced across the country that Audit Scotland's report highlighted were

- The ongoing impact on benefit services from the loss of experienced staff through council voluntary early release schemes and the difficulty benefits services have in filling vacant positions. This risk is increased by the continuing uncertainty about the roll out of Universal Credit.
- Performance being adversely (and for extended periods) affected during times of change such as the restructuring of services and the implementation of new systems.
- A significant rise in the value of overpayments outstanding and a lack of targets being in place for the recovery of overpayments.

3. A specific area of concern for East Renfrewshire Council contained in the report is that there has been a 30% increase in caseload between November 2008 and February 2013 which is the second highest increase of the ten councils visited by Audit Scotland during 2012/13.

4. At the end of its inspection of East Renfrewshire Council, Audit Scotland produced a risk assessment report which identified 13 risks which the Benefits Service addressed by preparing an action plan designed to mitigate the risks. In responding to this Russell Frith, Assistant Auditor General stated that he was satisfied that the proposed actions will make a positive contribution to the continuous improvement of the Council's housing and council tax benefit service.

5. The progress in achievement of this action plan is regularly monitored through the Council's corporate performance management system which shows that a number of actions have already been completed and good progress has been made with most of the remaining actions. Because of increased volume of appeals, as a result of Welfare Reform changes, the target performance in this area has not been achieved. A copy of the action plan showing progress to date is attached to this report. Audit Scotland found that many of the risks they had identified in East Renfrewshire were commonly found in the risk assessments provided for other councils.

6. The other national area of concern highlighted by Audit Scotland was Welfare Reform. Members will recall that a detailed report on the Council's preparations in this area was provided in October.

CONCLUSION

7. Audit Scotland has produced its annual report on benefits performance during 2012/13. Within this period East Renfrewshire Council's Benefits service was inspected and 13 risks to its future performance were identified. In response, a satisfactory action plan whose progress is currently being monitored was submitted and accepted by Audit Scotland.

David Miller
Head of Revenue Services
23 December 2013.

Audit Scotland Risk Assessment February 2013 – Action Plan

No.	Risk	Action at 1 February 2013	Risk Owner	Timescale for Completion
1. Page 7	The council's housing service continues to allocate properties to customers that might be considered under-occupied when the DWP's accommodation size criteria are implemented in April 2013. This could potentially result in a benefit shortfall of approximately £217,000 in respect of those customers affected.	The Housing Service Allocation policy has been amended to deal with under occupancy size criteria. The amended policy received Cabinet approval on the 17 January 2013	Phil Daws, Housing Service Manager	Completed
2. Page 10	It is recognised that the council's performance reporting regime is comprehensive; however, certain aspects of key benefit performance are not being routinely reported. For example, accuracy is only reported annually, and in year debt is not being reported.	Quarterly performance reporting will now include accuracy of processing. In year debt recovery is reported quarterly.	John Orr, Benefit Manager	30 June 2013 95% Completed Accuracy field to be added onto Covalent
3. Page 12	The council has not carried out any benefits-specific landlord surveys.	A landlord survey will be undertaken in 2013.	John Orr, Benefit Manager	31 December 2013 (Not completed - new revised date is 1 April 2014)
4. Page 12	Although the council has detailed customer service performance data, there is not a cohesive and formal approach to target setting, and monitoring and reporting this information, and therefore the council has limited assurance that the service it delivers to its customers is efficient, effective and economic.	The performance data which is currently collected will be expanded to give a more detailed analysis of customers' enquiries	Jennifer McMaster, Policy & Development Manager/Raymond Berry, Senior Customer Service Officer	30 September 2013 (Not completed – new revised date is 1 April 2014)

5. Page 15	Although the council has made notable progress in 2012/13 to address the decline in speed of processing performance, the loss of experienced officers to help manage the implementation of the changes arising from the welfare reform agenda could have a detrimental effect on the council's claims processing times.	<p>The Director of Finance has authorised back filling of posts where staff have moved to further welfare reform duties.</p> <p>A mini restructure of benefit administration duties has been carried out and when implemented will be monitored on a weekly basis.</p>	<p>John Orr, Benefit Manager</p> <p>John Orr, Benefit Manager</p>	<p>31 March 2013 Completed</p> <p>31 March 2013 Completed</p>
6. Page 16	The accuracy target for 2012/13 of 92% is not challenging when compared to performance in 2011/12 of 97%.	The accuracy target for 2013/14 will be reviewed and submitted to the Director of Finance for approval.	John Orr, Benefit Manager	31 March 2013 Completed
7. Page 16	The council's current methodology for selecting cases for a management check is not sufficiently robust to ensure that the work of all staff is subject to a management check. This would help reduce the opportunity for internal fraud, and importantly, ensure that the officer responsible for the management checking process is safeguarded.	The methodology is being reviewed and audit/management checks have been reallocated.	John Orr, Benefit Manager	31 March 2013 Completed
8. Page 16	There are insufficient management checks for the number of system transactions being carried out. In addition, as the council predominately carries out post payments checks, any errors found would be classed as local authority error, which could have a detrimental effect on the amount of subsidy received from the DWP.	The methodology is being reviewed and audit/management checks have been reallocated.	John Orr, Benefit Manager	31 March 2013 Completed

<p>9. Page 16</p>	<p>Although the council carries out management checks on high value payments, the amount at which a check is carried out at £3,000 is equivalent to approximately five months rent. In view of the improvements in processing times, it is unlikely that many claims will fall into this category.</p>	<p>The high value payment level check has been reviewed and reset to £1,500.</p>	<p>John Orr, Benefit Manager</p>	<p>28 February 2013 Completed</p>
<p>10. Page 19</p>	<p>There is limited analysis of overpayments data and the aged debt analysis that was recommended following a recent internal audit has not been carried out at the time of the on site visit in November 2012, despite an agreed completion date of 31 October 2012.</p>	<p>A review of reports from the corporate arrears recovery system (CARS) software suppliers is currently being undertaken. The production of aged analysis reports is included in this review.</p>	<p>John Orr, Benefit Manager</p>	<p>30 September 2013 (50% completed Aged debt analysis completed New CARS report for public/private overpayment split being tested)</p>

11. Page 20	The council has not met its target to deal with request for reconsideration within four weeks since 2009/10.	A benefit administrative resource has been allocated one day per week to deal with reconsiderations	John Orr, Benefit Manager	28 February 2013 (Not completed – additional resources drafted in to deal with 5 times increase in appeals due to welfare reform changes)
12. Page 22	The council has not met its annual target of administering 20 sanctions since 2009/10.	The Counter Fraud team is now proactively working with the DWP in joint investigations, in particular with NFI matches from the 2013 exercise. This additional resource is anticipated to improve sanction performance. In addition actions that remove alleged fraudsters from either claiming benefit or benefit ceasing due to investigation will be recorded in 2013/14. The annual sanction target will be reviewed and will be submitted to the Director of Finance for approval.	Charles Taylor, Senior Counter Fraud Officer/John Orr, Benefit Manger	1 March 2013 (Current year performance is 5 cautions and 1 administrative penalty served, 2 prosecutions gained, additional 5 accepted by Procurator Fiscal, additional administrative penalty to be served)
13. Page 22	Due to loss of staff, the counter fraud team has not been fully resourced since 2011, and at our on-site visit in November 2012, only one officer was a fully PINS trained investigator.	The Counter Fraud Team comprises of 3.5 FTEs. One FTE is fully PINS trained, another FTE will complete PINS training in April 2013 and the vacant post of the third FTE is currently being advertised.	Charles Taylor, Senior Counter Fraud Officer	30 April 2013 Completed