

Dear Member

AUDIT COMMITTEE - FRIDAY, 31ST MAY, 2024

Please find attached item 4, the KPMG PowerPoint Presentation on Housing Benefit Assurance Testing for 2022/23, which has just become available.

Agenda No Item

4. **Housing Benefit Assurance Testing 2022/23 (Pages 3 - 12)**

To receive a presentation from KPMG on Housing Benefit Assurance Testing for 2022/23.

Yours sincerely

Democratic Services

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AUDIT COMMITTEE

31 MAY 2024

New Forest District Council Audit Committee

Housing Benefit Reporting 2022/23

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May 2024

Housing benefit reporting

22/23

Introduction

The Council is required to have an annual review of its Housing Benefit Subsidy claim Our work on the Council's Housing Benefit claim is set out by the DWP:

- Agreed parameters within the Council's housing benefits system to the DWP's published rates for 22/23
- Checked that the subsidy claim was prepared using the required version of the benefits software
- Sample tested claims to check the calculation of benefit entitlement (and that it was supported by evidence)
- Undertook testing over modified schemes payments

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22/23

Work undertaken

- Testing of benefit cases for the following headline cells (20 or 20% if less than 100 cases)
 - 011 (non-HRA rent rebates)
 - 055 (HRA rent rebates)
 - 094 (rent allowance)
 - 225 (modified schemes)
- Testing based on our findings in the prior year (2021/22) or based on the results of our testing of headline cells
- In 22/23 we undertook testing on 4 additional areas within cells 011, 094 and 225 (5 areas in 21/22)

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Findings

Errors (Appendix A)

Out of total subsidy claimed of £26.5m (£27.6m in 21/22), we found overpayment errors totaling £16 (£840 in 21/22) across one case (seven cases in 21/22) relating to incorrect earned income.

We are required to extrapolate overpayment errors using the DWP's prescribed method. This resulted in a reported extrapolated figure of £127 (£15,948 in 21/22).

Observations (Appendix B)

We also found underpayment error (£2) in one case relating to incorrect eligible rent. As there is no eligibility to subsidy for benefit which has not been paid, the underpayment case identified does not affect subsidy and has not, therefore, been classified as an error for subsidy extrapolation purposes.

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Amendments (Appendix C)

It was identified in 2021/22 and reported in the HBAP Report for that year that the Authority had incorrectly assessed self-employed earnings. The Authority identified all the cases in cell 94 where the assessment of benefit included self-employed earnings and tested them to confirm if the self-employed earnings were correct. This additional testing identified:

- 2 cases (total error value £2,585) had incorrectly assessed self-employed earnings resulting in an overpayment of benefit.
- 3 cases (total error value £598) where housing benefit had been underpaid as a result of incorrect self-employed earnings.
- 3 cases where there was no impact on the housing benefit paid as a result of the incorrect self-employed earnings.

In total cell 099 was overstated by £374 and cell 103 by £2,211 with a corresponding understatement to cell 113 of £2,585. As there is no eligibility to subsidy for benefit which has not been paid, the 6 underpayment and nil impact cases identified do not affect subsidy and have not, therefore, been classified as errors for subsidy amendment purposes.

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Amendments (Appendix C) (cont.)

Our initial testing of a random sample of 3 cases in cell 225b identified:

- 1 case (total error value £29) where the Authority had incorrectly assessed an occupational pension resulting in an overpayment of housing benefit. The impact of this error is to overstate cell 225b by £29.
- ⦿ Given the nature of the population and the error found, the Authority identified all cases in cell 225b where the claimant was in receipt of an occupational pension to confirm if occupational pension was correct. This additional testing identified no further errors.

In total cell 225b was overstated by £29.

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Amendments (Appendix C) (cont.)

In line with prior years we reported that owing to the passage of time since approval, prime documentation showing that the Authority's local modified discretionary scheme had been approved by full Council was not available. We noted that the s151 officer had provided us with a signed representation letter saying that the policy is available and had previously been approved.

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Appendix D – other matters

There are no other matters to report.



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