

Action Plan to address the Audit findings from the 2013/14 Subsidy Claim

Audit recommendation: Review in detail the reasons for errors in this specific area and put in place arrangements to ensure all figures used in the calculation of self employed income are accurate and fully supported.

Objective	Activity	Milestones	Owner	Update for Audit Committee
<p>To ensure that file notes for all self employed assessments are fully supported with necessary documentation which can be easily reviewed</p>	<p>Set up a template for filenotes to include the following mandatory features:-</p> <ul style="list-style-type: none"> • Officers required to explain assessment, using 'check boxes' and written explanations; • Officers need to include direct references to supporting documentation; • For self employed cases, officers required to complete a supplementary expenses spreadsheet (see below) 	<p>22/01/15 - Template created, agreed and tested.</p> <p>31/01/15 - All staff briefed on the new procedure for filenotes</p> <p>02/02/15 - Filenote used in Live</p>	<p>Russell Gibbs</p> <p>Andy Monkley</p> <p>Andy Monkley</p>	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p><u>Notes</u></p> <p>The filenote template has been created and all staff have been briefed.</p> <p>There were technical issues preventing access to the filenote creator, but these have been resolved. There have been 587 standard filenotes created during the last month.</p> <p>All new assessments will now have the standard filenote regardless of claim type.</p>

<p>To ensure that all self employed assessments include an expenses form to explain how assessable income for Housing Benefit has been derived and in particular, in respect of the deduction made in respect of expense items</p>	<p>Set up an expense template to include the following:-</p> <ul style="list-style-type: none"> • Details of all expense items as declared by the customer and/or in the self employed accounts; • The percentage reduction used for personal use, where applicable; • The reason for taking that percentage reduction, and; • How this is to be recorded on Northgate (the system used for benefit assessments). 	<p>22/01/15 - Template created, agreed and tested.</p> <p>31/01/15 - All staff briefed on the new procedure for completing the expense spreadsheet</p> <p>02/02/15 - Spreadsheet used in Live</p>	<p>Russell Gibbs</p> <p>Andy Monkley</p> <p>Andy Monkley</p>	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p><u>Notes</u></p> <p>This was made live by the stated deadline. The expenses form has been completed 123 times within the last month, consistent with the number of self employed assessments during the period.</p>
<p>To ensure that all staff are aware of new processes and procedures</p>	<p>The following briefing activities to be undertaken:-</p> <ul style="list-style-type: none"> • Staff briefing sessions to be delivered by the Policy Team; • Briefing notes to be circulated to all staff; • That briefing document and further guidance to be made available on the 	<p>31/01/15 – staff briefing sessions completed.</p> <p>31/01/15 – briefing document to be circulated and made available on the BCS Information Hub</p>	<p>Andy Monkley/ Collette Hamilton</p> <p>Andy Monkley/ Russell Gibbs</p>	<p>Completed</p> <p>Completed</p>

	Brent, and; Customer Services Information Hub.			
To ensure compliance to the new procedures for new assessment of self employed claims	<ul style="list-style-type: none"> • All new cases self employed assessments to be checked by the Quality Assurance Officers; • Feedback to be given on issues identified to staff and Team Leaders; • Summary report of findings to be prepared for the Benefits Management Team (BMT) after 2 months' checking. • Quality report to be presented at Brent Customer Service Performance Board 	<p>31/01/15 – checking strategy for February and March to be agreed;</p> <p>10/04/15 – summary report produced for BMT</p> <p>14/04/15 – presentation on self employed checking/quality to BCS Performance Board</p>	<p>Andy Monkley</p> <p>Andy Monkley</p> <p>Andy Monkley</p>	<p>Completed</p> <p>Completed – but briefed to BMT in May</p> <p>This has not yet been presented to Performance Board, but members of the team have been briefed outside of that forum</p>

To gain assurance for the accuracy of self employed claims for the 2013/14 subsidy audit	<ul style="list-style-type: none"> Intervention work to be carried out on 10% of current self employed claims to ensure accuracy and supporting evidence in place to audit standards. 	31/03/15 – 10% sample check of current self employed cases to be completed	Andy Monkley	Completed (see below – 396 checks done which represents 11.4% of the current caseload)
		14/04/15 – presentation on self employed checking/quality to BCS Performance Board	Andy Monkley	This has not yet been presented to Performance Board, but members of the team have been briefed outside of that forum

Lead officers involved

Andy Monkley Subsidy & Policy Manager
Collette Hamilton Customer Service Centre Manager
Russell Gibbs Subsidy Officer

Results of the intervention work

A total of 396 cases have been checked through a combination of full quality assurance checks on all aspects of assessments involving self employed customers and intervention work looking solely at the accuracy and supporting documents for self employed assessments. The checks completed are a combination of cases new assessments since February and cases that were in payment throughout 2014/15.

The current self employed caseload for Housing Benefit is 3,463; there are a further 319 self employed cases where Council Tax Support only is in payment (and that would not, therefore, be part of the Subsidy Audit process). The number of checks down, therefore, represents 11.4% of the Housing Benefit caseload.

The results are as follows:-

Outcome	Number of cases	Percentage of total checked	Weekly error rate	Weekly entitlement
Case correct for subsidy audit purposes	361	91.2%	£0.00	£71,196.75
Case incorrect but with no financial impact	20	5.1%	£0.00	£3,961.66
Case incorrect and causing an overpayment	7	1.8%	£85.49	£1,551.86
Case incorrect causing an underpayment	8	2.0%	£0.00	£1,227.81
Total	396	100.0%	£85.49	£77,938.07

Notes to the table

- The number of cases where an error has been identified that would fail at audit is 35 representing 8.8% of the total checked.
- However, in 20 of the cases, the error in the assessment, once corrected, did not affect entitlement. A further 8 cases led to an underpayment of Housing Benefit which are not used as part of the extrapolated error calculation for subsidy audit purposes.
- 7 cases were identified which had errors causing an overpayment of Housing Benefit. The total weekly error rate is £85.49 which is 0.11% of the total weekly entitlement in the sample.
- The total weekly entitlement of all self employed Housing Benefit cases is £750,810. If the error rate discovered during the intervention work to date were to be applied to the total self employed population, the extrapolated error would be £42,324 (full year figure).

The incidences of errors are decreasing, but further work is planned during the second quarter to ensure that accuracy – and the standard of file note and supporting evidence – continues to improve.

Andy Monkley

18 June 2015