



Corporate Committee

On 20th June 2011

Report title: Grants Report 2009/10

Report of: Director of Corporate Resources

Ward(s) affected: All

Report for: Information

1. Purpose

1.1 To report to the committee the outcomes of the annual grant work by Grant Thornton and to obtain approval for the action plan resulting from the report of the auditors.

2. Recommendations

2.1 That the Committee agrees the management responses contained in the action plan.

Report authorised by: Julie Parker – Director of Corporate Resources

J. Parker 10/6/11

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3. Executive Summary

3.1 The attached report from Grant Thornton details the Council's performance in relation to Grant Thornton's certification of external grant claims for the financial year 2009/10. The accompanying action plan from the auditors contains the Council's response and deadline dates for action.

4. Reasons for any change in policy or for new policy development (if applicable)

4.1 None.

5. Local Government (Access to Information) Act 1985

The following background papers were used in the preparation of this report:

Grant Thornton Report: London Borough of Haringey Certification work report 2009/10

6. Background

- 6.1 Each year the Council is required to obtain certification of a number of its external grant claims by the council's external auditors Grant Thornton. The attached report from Grant Thornton details their findings from these certifications and provides details of the Council's overall performance in relation to grant claims.
- 6.2 As can be seen from section 2.3 of the Grant Thornton report the Council's performance in relation to grants has remained consistent in 2009/10, when compared to 2008/09, in all areas except for number of claims amended. In addition the table in Appendix C details the level of fees charged for this work.
- 6.3 However there are still areas where further improvements are required, particularly in relation to the Housing and Council Tax Benefit and reducing amendments to claims and the action plan is intended to bring about the required improvements.

7. Action Plan arising from Grants Report 2009/10

- 7.1 The action plan contained within the auditors' report and included at the end of this report as Appendix B has the Council's responses included, along with key actions, responsibilities and target dates. The action plan will be monitored over the coming months in conjunction with the auditors.

- 7.2 In respect of the Housing and Council Tax Benefit Claim, and in addition to the points set out in the Action Plan at Appendix B, a further detailed specific targeted improvement plan is attached as Appendix A.
- 7.3 This Quality Strategy update sets out the actions that have, and are being taken, to address the concerns raised from the external audit work.
- 7.4 Recent work by Internal Audit on 2010/11 claims is showing a significant reduction in the level of errors which indicates that the actions put in place are having an impact. External Audit are in the process of undertaking their testing of the 2010/11 claim.

8. Financial Implications

- 8.1 There are no direct financial implications arising from the recommendations in this report. However if improvements to the grants processes and certification continue to occur there is scope for further savings to be made on the fees charged to the Council for this work. There are, however, risks in respect of the Housing Benefit and Council Tax Benefit subsidy position in respect of that claim.

9. Recommendations

- 9.1 That the Committee agrees the management responses contained in the action plan.

10. Head of Legal Services comments

- 10.1 The Head of Legal Services has been consulted on the content of this report and has no specific comment to make.

Haringey Benefits and Local Taxation Service

Quality Strategy Update

1 Background

- 1.1 Following on from the HB COUNT audit of 2008/2009, the Benefits and Local Taxation Service recognised that a more robust strategy for data quality assurance needed to be introduced.
- 1.2 In the summer of 2009/2010, new working processes were introduced, an improved training strategy was agreed and an enhanced Quality Assurance process put in place. The details of the measures introduced were supplied to the Department of Work and Pensions.
- 1.3 The following report is intended to update on progress against the measures that were introduced, as well as inform of further enhanced measures that have been introduced.

2 Quality Assurance Team

- 2.1 The Quality Assurance Team, established in April 2010, continue to review a percentage of all assessments made every month. The percentage reviewed ranges from 4% to 10% of all assessments made in any given month.
- 2.2 The terms of reference for the team are:
 - Maintaining a record of all errors;
 - Monitoring the correction of the errors to ensure all identified errors are corrected;
 - Reporting trends for discussion at the monthly Benefit Management Team Meeting; and
 - Producing a monthly report to the Deputy Head of Benefits and Local Taxation, detailing the following:
 - Error types
 - Causes of errors
 - Who is making the errors
 - Recommendations for remedial action

- 2.3 The decisions taken for remedial action can vary from;
- Incorporating common areas of error into the BLT Training Plan;
 - Setting a test for all staff – and taking action based on the results;
 - Re release or amendment of Policy and Procedure Notes;
 - Group briefings to all staff;
 - Error feedback at 121's and Appraisals; and
 - Focussed checking for subsidy risk areas
- 2.4 The error rate trend has been continually positive since April 2010. Error rates have dropped from early highs of 7% in April 2010 to an average of 3.36% up to February 2011.
- 2.5 The Quality Assurance Team also review key subsidy risk areas and take action to ensure that correct levels of subsidy are claimed where appropriate.
- 2.6 Following the 2008/2009 BEN01 audit, three key areas of risk were identified – claim start dates, Single Person Discount awards and earned income calculations.
- 2.7 The QA Team carried out the following measures to correct any potential errors in 2009/2010.
- 2.8 An in-house report was designed to monitor the link between Council Tax and HB Accounts to ensure Single Person Discounts are awarded or removed as applicable. This is monitored on a daily basis.
- 2.9 A significant percentage of all assessments made in 2009/2010 were rechecked using a risk based approach, based on the intelligence gleaned from our QA Software (RBS). The risk based approach was that 100% of assessments were checked from Officers with known higher error rates, through to 1% re checks for Officers who continually demonstrate high quality assessments.
- 2.10 Earned income assessments, we reviewed using this risk based approach.

3 Training for New Starters

- 3.1 The training policy was revised for new starters mid way through 2010/2011. Previously, new starters would receive three weeks training and then be released into the live assessment environment.
- 3.2 New starters are now subject to a six week training programme with supervised claims assessment in the classroom at the end of the

training session - prior to release onto the teams. New starters are not released from the training environment until they can demonstrate they are assessing claims correctly. Once on the teams, new starters also receive further support from their Team Leaders.

4 Refresher Training

4.1 A programme of refresher training was identified and delivered across 2010/2011 in the following areas – all identified to be key risk areas;

- Awards of Single Person Discount;
- Persons from Abroad;
- Enhanced Persons from abroad training for Team Leaders and Persons from abroad champions on the teams;
- Effective dates for Change of Circumstances claims;
- A two day overpayment refresher course;
- Registering claims, including start dates, end dates and claim dates;
- Self Employed assessment; and
- Earned Income Assessment.

5 Quick Guide Laminates

5.1 Desk aids/quick guide laminates in key areas of data quality have been introduced. This ensures that the relevant information is readily available to assessors at all times.

5.2 The quick guide laminates issued were:

- Updated quick reference to start and end dates and claim dates guide;
- How to record the data for NI 181 – to ensure the integrity of our NI 181 BVPI; and
- Change of Circumstances effective dates.

6 Testing of staff – Assessment Champions

6.1 Staff are tested periodically. Where a key area of risk is identified, all staff are given a test in that area in a strictly controlled environment. The tests are marked and appropriate action taken based on the results. Staff that performed well in a test are put forward as a 'champion' of that particular area of assessment.

- 6.2 Staff that performed poorly are given further training and have their assessments checked by the 'champions' before the final calculation of a claim takes place.
- 6.3 Briefings and retraining sessions also take place and attendance at refresher courses is dependant on an individual's test results.

7 Capability at Work

- 7.1 Capability action is taken to address poor performance, both with productivity and with quality of work.
- 7.2 Particular attention is paid to staff throughout their probationary periods.
- 7.3 'home working' staff are required to return to the office if their quality of work is not to a sufficient standard.

8 Quality and Accuracy Awareness

- 8.1 A mandatory Quality and Accuracy Awareness workshop was held by the Deputy Head of Benefits and Local Taxation in July 2010. This workshop focussed on the results of the 2008/2009 BEN01 audit, and raised staff awareness of the financial impact of poor quality assessment work, to the Council and to our claimants.
- 8.2 This workshop received positive feedback from all staff and over 95% of staff said that they found the workshop to be very beneficial to their development and knowledge base. Staff actively participated in the group discussions and offered positive suggestions for improvement, many of which have now been implemented.
- 8.3 Staff awareness was raised of the financial implications of Local Authority Error (LAE) overpayments, both in terms of risk to subsidy and to our ability to recover such overpayments.
- 8.4 Staff were offered the opportunity to suggest ways in which the service could further prevent Local Authority Error overpayments a number have been implemented. Local Authority Error overpayments have significantly reduced since this workshop.
- 8.5 Enhanced monitoring of LAE overpayments and staff are kept up to date with progress on a weekly basis. Significant improvement has been made in this area and the claim is now comfortably short of the lower LAE overpayment threshold at the end of 2010/2011. This has significantly reduced our risk of subsidy loss for the 2010/2011 year.

9 DWP Performance Development Team (PDT)

- 9.1 In 2010/2011 the help of the DWP PDT was enlisted. The scope of the project was to review 'new claims' and 'changes' processes and look

for areas where improvement could be made with processing times and quality of work.

- 9.2 The PDT team spent a month with the service, holding workshops and interviews with staff from both Customer Services and from the Benefits Service. A 'day in the life of' a 'new claim' and a 'change in circumstance' were mapped and areas of delay, hand off and duplication were highlighted. Solutions were agreed to eliminate such delays. The mapping was undertaken from a customer's point of view, focussing on 'value adding work' that we do and with a view to eliminating 'failure demand' from customers at our Customer Services Centres.
- 9.3 Using the findings from this mapping exercise, new processes were mapped and agreed. The main headline from this exercise was to support the decision to move HB expertise to the front line, thus ensuring we get assessments 'right first time' in the presence of the customer, preventing hand off and duplication of effort.

10 Getting it 'Right First Time'

- 10.1 e-benefits continues to be a major success for the service, with a significant majority of our claims now received this way.
- 10.2 Before e-benefits were introduced, claims submitted through our Customer Service Centres showed a high percentage error rate, requiring the Council to write to the customer for further information which could have been gathered when the Customer was present at the offices.
- 10.3 The use of the e-benefits intelligent claim form has eliminated unnecessary questions when claiming benefit and automatically informs a council officer what evidence is required to validate a claim. In some instances a 24 page application form can be reduced to just two pages.
- 10.4 An appointment is offered to customers to bring back their information on a specific date where an officer will be on hand to calculate their claim.
- 10.5 Following on from the DWP PDT mapping exercise, this service will be expanded to all claimants. Analysis has been completed on the reasons why customers contact us and the level of personal callers we received. Officers from the Benefits Service are being merged with Customer Services to assist in providing more support to the volume of customers received relative to the Benefits Service.
- 10.6 The purpose of this strategy is twofold. An officer will be able to ask the right questions of the claimant where required, thus minimising the chances of error in the calculation of the claim, and secondly a

satisfied customer will be able to walk out of the office knowing that their claim has been assessed and fully understand their entitlement.

11 Enhancements to the 'Control and exception report' function

- 11.1 Responsibility for 'control and 'exception reports' is currently shared between staff on the processing teams and officers on the Quality Assurance Team. Following on from previous HB audits it has been recognised that there is a need to further enhance monitoring of exception and control reports.
- 11.2 As part of the BLT Customer Services restructure, additional resource will be allocated to the 'control and exception' aspect of benefits administration, thus enhancing the integrity of the work undertaken.
- 11.3 A full review of all exception reports took place to determine those reports that provide the best value and facilitate data cleansing and housekeeping where required.
- 11.4 A portfolio of reports have been developed that will be used to supplement the work undertaken within the quality assurance framework.

12 Internal Audit 2010/2011

- 12.1 The Housing Benefit Internal Audit report for 2010/2011 verified that the required standards were being conformed with.
- 12.2 The service is under regular scrutiny by internal audit partners under the Audit Framework. Assessments are undertaken on the overall security and management control over the IT application environment for Benefits.
- 12.3 The key areas covered are Access Controls, Input Controls, Output Controls, Processing, Audit and Management Trails and Database Administration and Maintenance.
- 12.4 The latest HB Audit, finalised in February 2011 states that the service has 'substantial' controls in place in all aspects of HB Administration, with just three Priority 2 recommendations and two Priority 3 recommendations requiring action. No Priority 1 recommendations were raised.

13 Training and Performance Improvement Team

- 13.1 There is dedicated Training and Performance improvement team. All DWP circulars, guidance manuals and appropriate toolkits are maintained by this team and made available on our intranet 'Harinet'

site. There is a full in-house internet based library of all relevant policy, procedures and system and information notes.

- 13.2 Each month a new 'end of month' information note is circulated which informs all staff of the latest relevant information and LHA rates etc. A full review of our Harinet resource pages has taken place, thus ensuring that the site remains user friendly and information is easy to access.

14 New for 2011/2012

- 14.1 The above measures will all remain in place for the 2011/2012 year, but following on from the HB audit report findings for 2009/2010, the following additional measures have been introduced.

15 Data Cleansing

- 15.1 The auditors identified a problem relating to Child Benefit allowance fields. The Northgate benefits software will automatically allocate the correct amount of child benefit to be used in the relevant year if this field is left blank. However, the Northgate system allows officers to manually enter data into these fields.
- 15.2 This will produce the correct allowance for the relevant year but, if the amount of Child Benefit is hard coded in the allowance field by an officer, the Child Benefit will not automatically up rate in the following year.
- 15.3 Although Child Benefit is no longer taken into account in terms of benefit assessment, the service has submitted an enhancement request to software suppliers Northgate to 'lock' this area so that Officers cannot enter data into the field.
- 15.4 The auditors also identified some cases where the child benefit amount entered did not match the number of dependants in the property.
- 15.5 All possible affected cases have been reviewed and corrected if appropriate through a data cleansing programme.
- 15.6 Earned income cases from 2010/2011 continue to be re checked for accuracy and the results fed back to staff as it is still considered to be a risk area due to the nature of assessment and the lack of consistency in payslips submitted by claimants.
- 15.7 A review of tax credit assessments on Housing Benefit claims in 2011/2012 will be undertaken.

16 Risk Based Review Programme

- 16.1 Although it is not a mandatory requirement of the Department for Work and Pensions to review Housing Benefit cases on a regular basis, both audit findings from the HB claim of 2009/2010 and the work undertaken

by Internal Audit in their Housing Benefit and Council Tax Benefit Grant Claim Audit 2010/2011 have highlighted the need to review Housing Benefit cases on a more regular basis.

- 16.2 In June 2011, a programme of risk based reviews for high risk claims will be introduced. The review will focus on claims that have been in receipt of Housing and Council Tax Benefit for a considerable period of time without changes being reported. We will also focus on key income types that are regularly subject to change.

17 Input Sheets

- 17.1 Some of the errors identified in the 2009/2010 HB claim audit appear to be 'input' errors rather than officer knowledge. It has been recognised that there is scope for error when transferring data from the Document Management System to the core benefits application, when having to 'toggle' between the two applications using the application toolbar.
- 17.2 An input sheet is now required. All the important data must be recorded on this sheet before using it to transfer the data onto the benefits system.

18 Team Leader Assessment Sign off

- 18.1 The assessment of earned income continues to be a risk area in terms of error. From 2011/2012, all Housing Benefit claims with earned income MUST be checked and signed off as accurate by a Team Leader before the assessment of benefit is calculated.
- 18.2 This measure takes time and presents the service with challenges in terms of resource, but it has been deemed to be a necessary action until the service can be confident that all earned income cases are being assessed correctly.

19 Officer Workload Review

- 19.1 Where significant errors are being made by any individual officer on any particular aspect of benefit assessment, that particular officer has been removed from such tasks until the officer has proved themselves to be competent in that particular area of work.

20 Internal Audit – Work on 2010/11 and 2011/12

- 20.1 Following the conclusion of the Internal Audit review of claim assessment for 2010/2011, Internal Audit will complete a further review of a random sample of 20 cases from each of the four main benefit areas covering the 2011/12 financial year in order to assist BLT management in their quality assurance reviews.

20.2 The results of the internal audit testing on 2010/11 claims (using the same methodology that of external audit) shows a significant reduction in the number of errors. This is giving reassurance that the measures that have been put in place are having an impact. The further work planned in 2011/12 will assist management further in being satisfied the measures are working or if further action is needed.

Appendix B – Action Plan resulting from audit recommendations

	Claim or return	Recommendation	Priority	Management response & implementation details
1	Housing and council tax benefit scheme	<p>The housing and council tax benefit subsidy was qualified for a number of reasons, as disclosed in appendix A above.</p> <p>It is recommended that the issues identified from the certification work be reviewed and discussed within the Benefits and Local Taxation team. A recommendation would be for provision of training to officers as appropriate and the implementation of additional review procedures to avoid similar issues arising in the future.</p>	High	<p>Agreed.</p> <p>The Deputy Head of Benefits and Local Taxation has already briefed every member of staff in the Benefits Service.</p> <p>A significant re training programme was undertaken in 2010/2011 for all officers with high error rates. Further training and/or capability action is planned for those who continue to make errors.</p> <p>A risk based review programme of all benefit claims is programmed to commence from June 2011.</p> <p>Ian Biggadike, Deputy Head of Benefits and Local Taxation.</p> <p>Ongoing.</p>
2	Housing and council tax benefit scheme	<p>It is recommended that the Council continue to implement the quality control procedures introduced after the 2008/09 certification, and that additional consideration is awarded to the issues highlighted during the 2009/10 certification to determine if further quality control procedures are necessary.</p>	High	<p>Agreed.</p> <p>Ian Biggadike Deputy Head of Benefits and Local Taxation.</p> <p>Ongoing.</p>
3	Housing and council tax benefit scheme	<p>The Council should periodically review all child benefit income figures to ensure that balances are in line with actual amounts received by the claimant and to ensure automatic updates are correctly processed.</p> <p>Due to the change in benefits policy, whereby child benefit values are disregarded, this recommendation has been made low priority. However, it is important that the Council ensure all information held is accurate in case of any further changes in government policy.</p>	Low	<p>Agreed.</p> <p>All Non Income Support (IS) cases have already been reviewed and corrected where required. The data with regard to IS cases will be reviewed on an ongoing basis.</p> <p>Ian Biggadike, Deputy Head of Benefits and Local Taxation.</p> <p>Ongoing.</p>

	Claim or return	Recommendation	Priority	Management response & implementation details
4	Housing and council tax benefit scheme	<p>Reconciliations are recommended to be completed between the number of child benefit income amounts and the number of dependents as per the world household information. It would be expected for the two to agree.</p> <p>Due to child benefits being disregarded this has been made low priority, however, as above, it is important that the Council hold accurate information for each claimant's income.</p>	Low	<p>Agreed.</p> <p>All Non IS cases have already been reviewed and corrected where required. The data with regard to IS cases will be reviewed on an ongoing basis.</p> <p>Ian Biggadike, Deputy Head of Benefits and Local Taxation.</p> <p>Ongoing</p>
5	HRA subsidy base data return	<p>A large number of adjustments were required to be processed with regards to the movements between 2008/09 and 2009/10. It is recommended that the claim is compiled as early as possible to allow time for the Council to operate a robust review process and minimise the number of changes which need to be made after the draft submission, and to include reasonableness checks of the standing data.</p>	Medium	<p>The HRA subsidy system ceases with effect from 1st April 2012. The impact of all minor amendments was a reduction in subsidy of £1,800.</p> <p>Responsible Officer: Head of Finance - Projects</p> <p>Implementation date: Next year's Base Data Return</p>
6	HRA subsidy base data return	<p>Part of the CI requirements are that in calculating the average weekly rent, "where a dwelling has been disposed of since 1 April (of that year), the income receivable should be weighted according to how many days in the year it was in the HRA before being sold." This has not previously been done by the Council. This data was calculated for the 2009/10 return at our request and incorporated into the amended return. The Council should ensure that this process is completed each year, as required by the CI.</p>	Medium	<p>The HRA subsidy system ceases with effect from 1st April 2012. The impact of all minor amendments was a reduction in subsidy of £1,800.</p> <p>Responsible Officer: Head of Finance - Projects</p> <p>Implementation date: Next year's Base Data Return</p>
7	Disabled facilities	<p>The Council should ensure that the criteria for specific grant allocations, for instance ex-service personnel allocations, are met prior to the grant being included on the grant claim.</p>	Low	<p>Agreed. The Council will ensure that any future ex-service personnel claims are checked thoroughly. However, this should not be an issue this year, as there are no claims of this nature for 2010/11.</p> <p>Responsible Officer: Head of Finance – ACCS</p> <p>Implementation date: Submission of DFG claim 2010/11</p>

	Claim or return	Recommendation	Priority	Management response & implementation details
8	National non-domestic rates return	A recommendation is proposed for the Council to ensure that all amounts written off and included in the claim are agreed exactly to the supporting write-off authorisations.	Medium	<p>The Council notes the recommendation.</p> <p>An amendment was made to the NINDR Losses in Collection figure for 2009/10 to reflect a corrected figure used for authorised write-offs. This correction had already been identified by the Council's officers and the correction made within days of the original submission, prior to Audit later in September, and was based on the knowledge that only authorised write-off should be included in the calculation.</p> <p>Responsible Officer: BLT Finance Manager</p> <p>Implementation date: Already Implemented</p>

