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ADDITIONAL CIRCULATION



To: Councillor Crockett, Convener; and Councillor Farquharson Vice Convener, and Councillors Cassie, Cooney, Donnelly, Hunter, McDonald, Penny, Reynolds, Robertson, Stephen, John Stewart, Kevin Stewart, Wendy Stuart and John West.

Town House,
ABERDEEN 13th January 2010

AUDIT AND RISK COMMITTEE

The undernoted items are circulated in connection with the meeting of the **AUDIT AND RISK COMMITTEE** to be held here in the Town House on **TUESDAY, 19 JANUARY 2010 at 2.00 pm.**

RODERICK MACBEATH
HEAD OF DEMOCRATIC SERVICES

BUSINESS

GENERAL BUSINESS

- 2.7 Audit Scotland - Audit of Housing and Council Tax Benefit - Risk Assessment Report - Report by Director of Corporate Governance (Pages 1 - 4)

Should you require any further information about this agenda, please contact Karen Riddoch, tel. (52)2723 or email kariddoch@aberdeencity.gov.uk

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ABERDEEN CITY COUNCIL

COMMITTEE Audit and Risk

DATE: 19 January 2010

DIRECTOR: Stewart Carruth

TITLE OF REPORT: Audit Scotland – Audit of Housing and Council Tax Benefit
– Risk Assessment Report

REPORT NUMBER: CG/10/008

1. PURPOSE OF REPORT

1.1 The purpose of the report is to advise the Committee of the outcome of the Audit.

2. RECOMMENDATION(S)

It is recommended that the Committee:-

(i) Note the positive Audit Scotland Report and acknowledge that the action plan noted in (Appendix I) has been submitted to Audit Scotland as required by the due date.

3. FINANCIAL IMPLICATIONS

There are none out of this Report. However, pending an efficient and effective Benefit Service protects the public purse and helps maximize both Council Tax and Rent Collection.

4. SERVICE & COMMUNITY IMPACT

The provision of an effective and efficient Benefits Service can play an effective role in meeting the community and national priorities of promoting social inclusion, reducing barrier to work, helping to reduce Council Tax and Rent Arrears.

5. OTHER IMPLICATIONS

There are none.

6. REPORT

The risk assessment has been undertaken as part of the Audit Scotland's Housing Benefit/Council Tax Benefit Audit risk assessment programme.

The Council were inspected in October following the completion and submission of a self assessment at the beginning of September.

The key objective of the assessment was to determine the extent to which the Benefits Service is meeting its obligations to achieve continuous improvement in all its activities. Specifically, it considers the effectiveness of the Benefit Service in meeting the needs of the Community and its customers, delivering outcomes and providing value for money.

The report recognises that despite operating with financial constraints and reduced staffing levels, the Benefits Service has improved its performance year on year in new claims and change events, speed of processing, HB overpayments, recovery and handling requests for reconsiderations.

It has delivered this continuous improvement through its established business planning process by using comprehensive management information to routinely monitor its performance, working with others to review and improve its working practices, consulting its customers and embracing modern technology.

This is a positive report as acknowledged by the Director of Audit in his letter to the Chief Executive.

The report does recognise that there were a small number of improvement opportunities with regard to its quality checking regime and in relation to working practices and resourcing of its Benefit Fraud Team.

The Service has, as requested, submitted an action plan to address and minimise the identified risks. The submitted action plan is shown in(Appendix I).

The Service will seek to address this matter over the coming months.

7. REPORT AUTHOR DETAILS

Jacek Nowak, Head of Customer Relations Management,
jacekn@aberdeencity.gov.uk, Tel No. (01224) 346868

8. BACKGROUND PAPERS

Audit Scotland Risk Assessment Report.

| Risk Number | Description of risk | Action to be taken | Responsibility | | List of task to be carried out to remove risks | By when | Review date |
|-------------|---|---|--|--|--|--------------|-------------|
| | | | Lead officer | Partners | | | |
| 1 | Analysis of Benefit Specific Complaints | Undertake monthly review of Benefit Complaints and remedial action undertaken. | Wayne Connell (Operations Support Manager) | Helen Moir, (Senior Processing Officer) | <ul style="list-style-type: none"> - Collate Benefit specific complaints from existing complaints procedure - Review nature of complaint - Undertake any remedial action required | January 2010 | N/A |
| 2 | The Area of Accuracy is not covered in Benefits Service Plan, the level of accuracy expected and is not covered in any other performance reports. | Re-introduce Accuracy checking and include in Service Plan. | Wayne Connell (Operations Support Manager) | Helen Moir, (Senior Processing Officer) | <ul style="list-style-type: none"> - Introduce random quarterly check of 125 cases. - Set annual accuracy target. - Annual targets for Local Authority error will be set | April 2010 | March 2010 |
| 3 | Quality Checking | Service will undertake review of current checking practice to address the issues raised and introduce a new checking regime | Wayne Connell (Operations Support Manager) | Helen Moir, (Senior Processing Officer) | <ul style="list-style-type: none"> - Review current working practices - Design new process to take into account risks, - Train staff - Implement and Monitor | April 2010 | March 2010 |
| 4 | Interventions – Analysis of risk criteria | Design a scheme and undertake analysis of interventions to ensure risk criteria is effective. | Wayne Connell (Operations Support Manager) | Helen Moir, (Senior Processing Officer) | <ul style="list-style-type: none"> - Review current analysis process and establish new process - Feedback results into Intervention identification - Undertake interventions | March 2010 | Feb 2010 |
| 5 | Analysis of official error and claimant error | Undertake analysis of errors and feedback into staff training and intervention programme. | Wayne Connell (Operations Support Manager) | Helen Moir, (Senior Processing Officer) | <ul style="list-style-type: none"> - Collate information from errors - Review why errors made - Undertake any remedial action required | March 2010 | Feb 2010 |
| 6 | Fraud Overpayments and Admin Penalties | Introduce monitoring of fraud overpayments and Admin Penalties collection. | Wayne Connell (Operations Support Manager) | Ian Sutherland, (Senior Systems Officer) | <ul style="list-style-type: none"> - Identify Fraud Overpayments and Admin Penalties - Monitor collection | Jan 2010 | N/A |

Aberdeen City Council – Risk assessment- Action Plan – **APPENDIX I**

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|---|-------------------------|--|---|-----------------------------------|--|---|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | |
| 7 | Sanction Review Process | Introduce Senior Management Review processes | Wayne Connell (Operations Support Manager) | Brian Muldoon, (Fraud Officer) | | Proactively recover using all methods of recovery | | | | | | | |
| | | | | | | Sanctions to be reviewed by managers prior to issue. | | | | | | | |
| 8 | Fraud Team Resource | Fraud Team resource to be reviewed. | Wayne Connell (Operations Support Manager) | Brian Muldoon, (Fraud Officer) | | <ul style="list-style-type: none"> - Since the audit, additional support has been allocated and the position will be closely monitored. - Committee approved reallocation 10/12/09, Finance and Resources Committee | | | | | | | |
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