

# East Dunbartonshire Council

**Audit of housing benefit**

**Risk assessment report**



Prepared for East Dunbartonshire Council  
June 2017

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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# Introduction

1. This risk assessment was completed as part of Audit Scotland's housing benefit (HB) risk assessment programme. It does not represent a full audit of East Dunbartonshire Council's benefit service.
2. The Local Government in Scotland Act 2003 introduced new statutory duties relating to Best Value and Community Planning. The key objective of the risk assessment is to determine the extent to which the benefit service is meeting its obligations to achieve continuous improvement in all its activities.
3. Specifically, the risk assessment considers the effectiveness of the benefit service in meeting national and local priorities, business planning and reporting, and delivering outcomes.
4. Information for this risk assessment was gathered from a range of sources including:
  - the self-assessment, supporting evidence, and updated action plan provided by the council
  - Department for Work and Pensions (DWP) indicators, and other performance measures
  - scrutiny of internal and external audit reports
  - discussions with the appointed external auditor
  - discussions with senior officers in the council during our site visit in May 2017.

# Executive summary

5. A risk assessment was previously carried out on East Dunbartonshire Council's benefit service in March 2015 when Audit Scotland identified 12 risks to continuous improvement. These were reported to the Chief Executive in May 2015 and, in response, the council submitted an action plan in June 2015 to address these risks, which Audit Scotland accepted as satisfactory, if fully implemented.
6. However, as the council's new claims speed of processing performance had been consistently above the Scottish average since 2012/13, Audit Scotland requested that the council provide an update in respect of its new claims processing performance by 30 April 2016, in order to provide assurance that performance improvements could be delivered, and sustained.
7. As the council's new claims processing performance remained above the Scottish average at 30 April 2016, further periodic updates were requested from the council until a final update was provided in January 2017, which showed a significant improvement in new claims processing times.
8. Since our previous visit, there have been a number of changes to the structure of the Revenues and Benefits service. In June 2016, the long-serving Revenues and Benefits manager retired, followed by the Director of Finance who left the council in July 2016. In addition, a council-wide strategic portfolio review was carried out in 2016, and a Revenues and Benefits service review was in progress at the time of our site visit which was due to be completed by the end of June 2017.
9. As a result of the strategic portfolio review, the Revenues and Benefits service now forms part of Customer and Digital Services, which is a key service within the newly created Education, People and Business directorate.
10. At service level, the most notable change followed a council decision at the end of the 2014/15 financial year not to retain the services of agency staff that had been assisting the Revenues and Benefits service since 2008/09. This loss of resource had a significant impact on the council's claims processing times, which declined from an average of 28 days for new claims and an average of six days for change events in 2014/15, to an average of 44 days and 18 days respectively in May 2015.
11. Although the council took prompt action to address this decline by re-employing two agency staff from June 2015, these staff have been on rolling contracts since then, and at the time of our site visit we were advised that the contracts had not been extended beyond the end of June 2017. The impact of the loss of resource on the council's speed of processing performance and the improvements realised since our previous visit are discussed in more detail under *Speed of processing*.
12. In completing eleven of the twelve risks previously identified, the council has made a very positive contribution to the delivery of the benefit service. In particular, by:

- consistently and regularly reporting benefit service performance to senior management and members
  - implementing e-Benefits with the aim to complement the council's *Click-Call-Come* strategy to encourage customers to engage with council services online as the first point of contact
  - significantly improving speed of processing performance from an average of 44 days for new claims and an average of 18 days for change events in May 2015, to an average of 27 days and seven days respectively in 2016/17
  - successfully achieving funding from the DWP's Fraud and Error Reduction Incentive Scheme (FERIS), developing an annual programme of intervention activity, and achieving FERIS payments for quarter 1 and 2 of 2016/17 by exceeding the threshold set by the DWP for the number of changes identified
  - continuing to deliver a high level of performance in the accuracy of claims and the recovery of benefit overpayments.
13. Although the council demonstrates awareness of what constitutes an effective, efficient and secure benefit service, there are three new risks and one risk outstanding from our previous risk assessment. In order to ensure continuous improvement, the council needs to address the outstanding risks and the new risks identified. These include:
- ensuring that there is sufficient resource within the Revenues and Benefits service to maintain and improve on current speed of processing performance
  - reporting performance across all aspects of the service to senior management and members as part of its reporting framework
  - taking action to address the reasons for the anomalies in the reporting of accuracy performance.

# Business planning and reporting

14. An effective business plan provides an opportunity for the council to set out the aims and objectives for each service and should contain key deliverables against which performance is measured, monitored and reported.
15. The Revenues and Benefits service is a key council service that is responsible for paying in the region of £17.5 million of HB annually in respect of approximately 4,200 claims. It is part of Customer and Digital Services, within the Education, People and Business directorate and reports to the Chief Finance Officer, the Strategic Lead - Customer and Digital Services, and the Deputy Chief Executive.
16. The *Customer and Digital Service Business and Improvement Plan 2017-2020* is the key strategic document for Revenues and Benefits and contains the service profile, its strategic priorities, and the Revenues and Benefits service's key performance indicators, which are the:
  - average time to process new claims
  - average time to process change events
  - percentage of new claims processed within 14 days of all information being received.
17. There is regular reporting of benefit service performance to staff and senior management to provide assurance that the service is operating effectively and efficiently. This includes:
  - daily meetings between the Team Leader - Revenues and Benefits and Senior Benefit Officers to discuss work priorities and review performance against internal targets
  - weekly Senior Revenues and Benefits management meetings to discuss operational issues
  - monthly 'all staff' team meetings
  - monthly Benefit Accuracy Performance Management meetings between the Team Leader - Revenues and Benefits, the Corporate Debt Manager, the Policy Officer, and the Quality Assurance officer
  - quarterly performance reporting to the Policy and Resources Committee in respect of claims processing
  - six monthly individual 1-2-1 meetings for staff as part of the council's annual Performance Development Review process.
18. In addition, the council makes good use of an online performance management tool, which is updated monthly in respect of the average time to process new claims, the average time to process change events, and the percentage of new claims that are processed within 14 days of receipt of all information. We were told that the online performance management tool is available to view by senior management and elected members.

19. Audit Scotland identified three risks to continuous improvement during the previous risk assessment in that:
- activity planning within the Revenues and Benefits Business Plan and the action plan developed after Audit Scotland's last visit did not show key milestone dates and eventual completion dates against the plan
  - conflicting performance information was provided to Audit Scotland for accuracy, interventions and overpayment recovery
  - there was inconsistent reporting of performance to committee and the Corporate Management Team, which did not present a clear picture of new claims speed of processing performance and made effective scrutiny difficult.
20. We consider that the council has addressed all of these risks as it had updated the Audit Scotland action plan with key review and completion dates, and was in the process of developing a new Revenues and Benefits team plan at the time of our site visit which would be aligned to the strategic priorities within the *Customer and Digital Services Business and Improvement Plan 2017-2020*.
21. In addition, the council now has a clear reporting framework where benefit service performance is reported consistently across all levels of management within the council.

#### Risk to continuous improvement

1	The service is not formally reporting performance to elected Members in respect of accuracy and overpayment recovery and therefore there is limited assurance that, where performance is below expectations, that the service is being challenged to deliver improvements.
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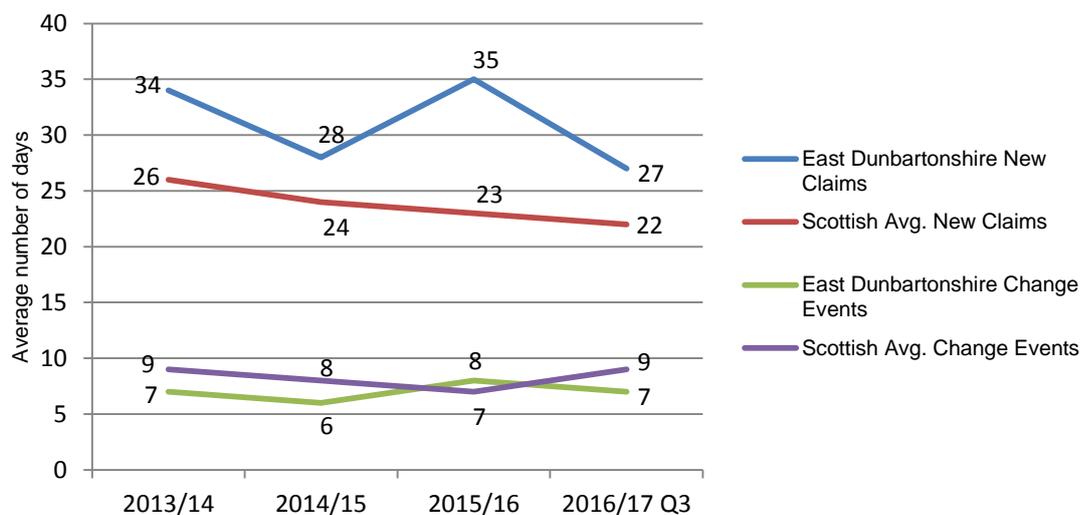
# Delivering outcomes

22. Effective operational processes and IT systems, along with skilled staff, help benefit services deliver sound performance and continuous improvement. The council has a number of management arrangements in place to support this.

## Speed of processing

23. When customers claim benefit, it is a time of financial uncertainty for them and, as such, it is essential that the service has sufficient fully trained and effective benefit processors in place that can make informed decisions on complex benefit claims and pay benefit promptly.
24. At the time of our previous visit in March 2015, the council's speed of processing new claims had been consistently above the Scottish average since 2012/13, while the time taken to process change events had been consistently below the Scottish average during the same period.
25. In view of this, and in response to the council's action plan to address the risks to continuous improvement identified in our report, Audit Scotland requested that the council provide an update on new claims speed of processing performance for quarters 3 and 4 of 2015/16 by 30 April 2016, to provide assurance that speed of processing improvements could be realised and sustained.
26. However, as detailed in Exhibit 1 below, the council's claims processing performance significantly declined in 2015/16 to an average of 35 days for new claims, and an average of 8 days for change events. This level of performance placed the council 30th for new claims and 25th for change events out of the 32 Scottish councils, based on DWPs 2015/16 published performance data.

Exhibit 1 - Speed of processing

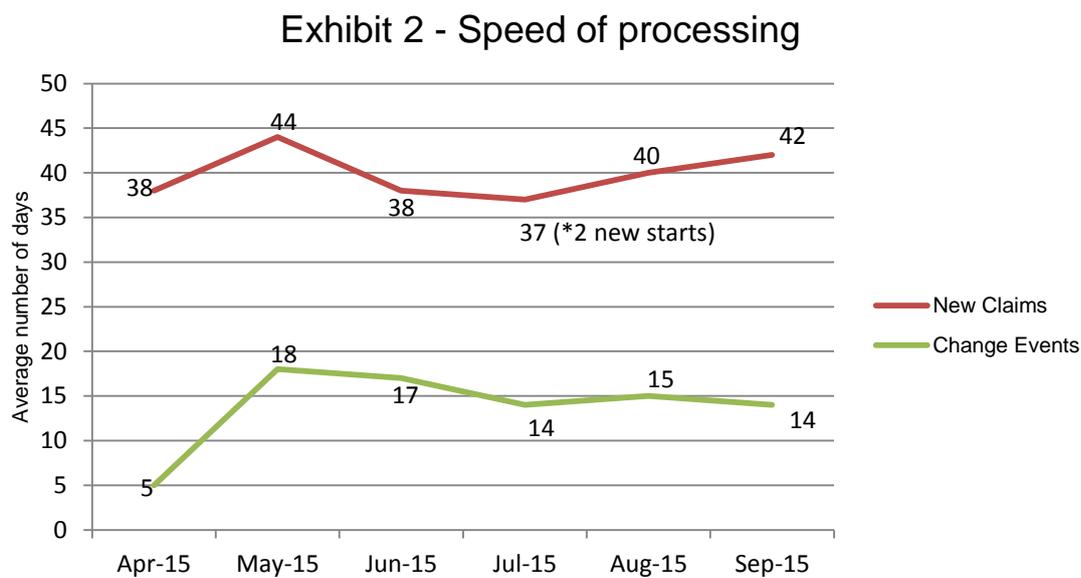


Source: East Dunbartonshire Council & DWP

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27. As a result, Audit Scotland requested a further update in respect of new claims speed of processing in respect of quarter 1 of 2016/17. This update was received in July 2016 and showed that the council had delivered continuous improvement in its new claims processing times from an average of 36 days in April 2016, to an average of 26 days in June 2016.
28. Although it was recognised that the council had delivered a considerable improvement, cumulative new claims processing performance for quarter 1 of 2016/17, at an average of 31 days, remained significantly above the Scottish average of 23 days. Therefore, Audit Scotland requested a further update from the council in respect of new claims speed of processing for quarters 2 and 3 of 2016/17, by 31 January 2017.
29. Following receipt of the council's update in January 2017, which showed further improvement in new claims processing times to a cumulative average of 27 days at the end of quarter 3 of 2016/17, no further updates were requested as Audit Scotland was satisfied that the improvements in new claims processing performance were being sustained.
30. However, during our review of the council's current self-assessment and supporting documentation, and following discussions with senior officers, we consider that there is a significant risk that the council will be unable to sustain and improve further on its current new claims processing times if resource levels within the service are reduced.
31. We were told that two agency staff who were re-employed in June 2015 to help address the significant decline in performance in April 2015 are contracted until the end of the benefit service review, which is expected to be completed by 30 June 2017. If the council decides not to renew these contracts, we consider that, if no other resources are provided to the benefit service, the loss of these staff is likely to have a detrimental effect on claims processing performance.
32. Previously, where resources within the service have reduced, for example where new staff have been appointed to replace staff that have left the service, there is a history of decline in claims processing performance, which the council has had difficulty in recovering from.
33. For example, in 2015/16, when the council was utilising the services of agency staff to assist the Revenues and Benefits service, the service was processing new claims in an average of 28 days and change events in an average of six days.
34. However, following the decision not to renew agency staff contracts, new claims processing performance declined significantly to an average of 38 days in April 2015 as a backlog of work accrued, further declined to an average of 44 days in May 2015, before recovering to an average of 38 days in June 2015. It is acknowledged that the recovery followed a council decision to address declining performance by re-employing two agency staff in June 2015.
35. At this time, the cumulative performance for quarter 1 of 2015/16, at an average of 39 days for new claims, and an average of 11 days for change events placed the council as the worst performer in Scotland for the time taken to process new claims, and 26th out of 32 Scottish councils for the time take to process change events.

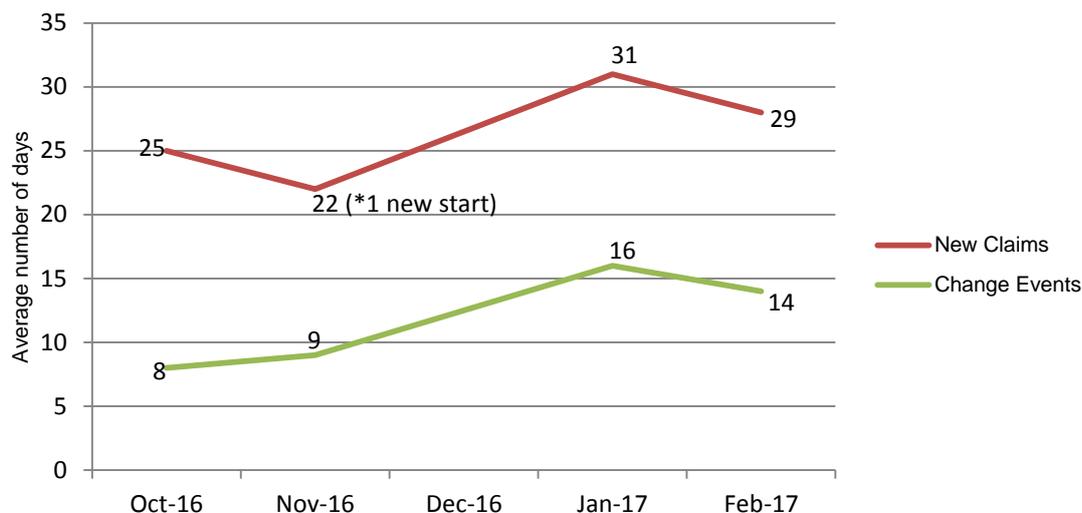
36. The council has also faced resource difficulties when experienced staff have left the service. Although staff are replaced through normal recruitment, we were told that there could be a minimum period of up to eight weeks, once there has been agreement to fill a post, when the service is not operating at full capacity.
37. In order to illustrate this, we looked at speed of processing data for July 2015 when two experienced staff left the service. Exhibit 2 below shows that between May 2015 and July 2015, speed of processing performance was improving. However, as the service managed the loss of these staff, new claims processing times increased significantly from an average of 37 days to an average of 42 days.



Source: East Dunbartonshire Council & DWP

38. We found a similar pattern of performance following the loss of another experienced member of staff in November 2016. As detailed in Exhibit 3 below, new claims processing times had improved to an average of 22 days in November 2016, while the time taken to process change events had fallen slightly to an average of nine days.
39. However, following the loss of the staff member, performance declined rapidly to an average of 31 days for new claims and an average of 16 days for change events, by the end of January 2017. It is recognised that an element of this decline will have been due to the council shutdown during the Christmas period.

Exhibit 3 - Speed of processing



Source: East Dunbartonshire Council & DWP

40. Although it is commendable that the council recovered to report its 2016/17 year-end performance at an average of 27 days for new claims, and an average of seven days for change events, it is clear that a reduction in benefit service resources has a direct impact on the service's ability to maintain or improve on claims processing times.
41. In view of this, we consider that the council should review resource levels within the Revenues and Benefits service to determine if it has the capacity to deliver an efficient and effective service in the event that agency staff are not retained after 30 June 2017, and that it has sufficient contingency arrangements in place to manage any reduction in staff resource going forward.
42. Audit Scotland identified one risk to continuous improvement during the previous risk assessment in that new claims performance, while improved, remained above the Scottish average and importantly was inconsistent with change of circumstances performance, which was well below the Scottish average. The council needed to understand why this was the case and consider whether remedial action, such as more effective priority for new claims, should be implemented.
43. We consider that this risk has been addressed as the council took prompt action to address the decline in new claims processing performance in 2015/16 by re-employing two agency staff and has delivered significant improvements in its claims processing times in 2016/17 by more effective and efficient management of staff and workloads

**Risk to continuous improvement**

2	There is a significant risk that the potential loss of agency staff at the end of June 2017 could mean that the level of resource within the Revenues and Benefits service is insufficient to maintain or improve on previous speed of processing performance levels.
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## Accuracy

44. The accurate and secure administration of HB should be a key priority for every council, and to support this it should have a robust quality assurance framework in place.
45. The council has a comprehensive programme of management checks to ensure the accuracy of its claims as detailed in its accuracy procedures. A dedicated Quality Assurance Officer (QAO) is responsible for carrying out these checks, and for ensuring that corrective action has been taken, where appropriate.
46. On a daily basis, a benefit IT system report is produced of all claims processed that day and a random 10% sample of claims are selected for a management check. Although the initial claim selection is random, we were told that the QAO would select additional claims if necessary to ensure that all processors have at least one claim checked per day.
47. A full detailed claim check is subsequently carried out which looks at a number of areas of the claim in detail. For example:
  - General - has the claim form been date stamped on receipt?
  - Assessment - are all non-dependant details input?
  - Verification - has proof of all income and capital been received and verified?
  - Rent detail - has the current lease been signed by the landlord and the tenant?
  - Request for backdating - has a backdated request been correctly authorised?
  - Overpayments - is the overpayment classification correct?
48. Outcomes are recorded on an electronic spreadsheet and where an error is found, an email detailing the error is sent by the QAO to the Senior Benefit Officer (SBO) and the Team Leader - Revenues and Benefits. In each case, the SBO would discuss the error with the processor who would be required to take the appropriate corrective action before the SBO carries out a final check to ensure the claim has been corrected.
49. To provide a complete audit trail, the outcome of each management check is recorded on a comprehensive check sheet, which is filed centrally.
50. In addition to the 10% daily management checks, the SBOs carry out a 100% check of the work of new staff, which is gradually reduced as they become more competent. When the level of checking reaches 50%, the SBO checks cease, as the processors work becomes part of the daily 10% checks carried out by the QAO.
51. The council told us that it also carries out a 100% check of all private tenant first payments to ensure the accuracy of the payment, and a 10% check of overpayment classifications to ensure the accuracy of overpayment classifications.
52. Where errors are found there is a clear support and training process in place, and regular e-mails are issued to staff by the QAO where analysis of the errors found have identified recurring errors. Where remedial training is required, we were told that this would primarily be

carried out by the SBO, the Team Leader - Revenues and Benefits, or the Policy Officer if required.

53. The council places significant importance on the accuracy of its claims and performance is reported and discussed at the monthly Benefit Accuracy Performance Meeting attended by the Team Leader - Revenues and Benefits, the Corporate Debt Team Leader, the Compliance Officer, and the Policy Officer.
54. Exhibit 4 illustrates the council's current and previous accuracy performance.

<b>Exhibit 4: Financial accuracy performance</b>		
	<b>Target</b>	<b>Achieved</b>
<b>2013/14</b>	98%	100%
<b>2014/15</b>	100%	100%
<b>2015/16</b>	99%	96%
<b>2016/17</b>	99%	99%

Source: East Dunbartonshire Council

55. It is commendable that the council has consistently achieved a high level of accuracy performance since 2013/14, however, when Audit Scotland analysed the accuracy spreadsheet we found a number of data fields were incomplete.
56. For example, of the 14 data fields on the spreadsheet, we found that data had not been entered on a number of occasions in respect of eight data fields. In addition, in eight out of twelve months in 2016/17, our analysis of accuracy performance was different to that reported at the monthly Benefit Accuracy Performance meeting. Full details of the discrepancies are provided at *Appendix A*.
57. Consequently, Audit Scotland calculated that the council's accuracy performance in 2016/17 was 98% which, although remains excellent, was different to the 99% reported by the council.
58. Audit Scotland identified four risks to continuous improvement during the previous risk assessment in that:
  - it was unclear what the service was aiming to do through its quality checking. Now that this had been established, a review of the council's approach to quality checking was required to ensure optimum effectiveness and efficiency
  - the audit trail recording the outcome of quality checking was not sufficiently detailed to identify the type of cases where errors occurred and as a result could not be used to inform a more risk-based approach
  - the required checks were not carried out consistently throughout the year, which increased the risk of error in the caseload and made fair and effective individual monitoring difficult

- the performance management information was confusing and did not make immediately clear how the service was performing in minimising financial error. As part of the review, it needed to consider and simplify how it evaluated success.

59. We consider that all of these risks have been addressed as the council has a consistent and comprehensive approach to accuracy checks, has a clear audit trail of actions taken, and records the outcomes on a summary spreadsheet. In addition, accuracy performance is analysed and discussed at monthly Benefit Accuracy Performance meetings, and individual performance is discussed with staff at the six monthly 1-2-1 meetings as part of the council's annual Performance Development Review process.

### Risk to continuous improvement

3	Audit Scotland was unable to full reconcile accuracy performance, and the council needs to ensure that the accuracy spreadsheet is fully completed, and address the reasons for the discrepancies found by Audit Scotland to ensure that future reporting is accurate and complete.
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## Interventions

60. To minimise error in the caseload councils must encourage customers to report any change in circumstances on time, and have a robust intervention programme to identify un-notified change events and take appropriate corrective action.
61. In order to facilitate this, the benefit service notification letters remind customers of the requirement to report any change in circumstances and the council website provides customers with:
- details of office opening hours
  - information on how to contact the benefit service by telephone, letter, or e-mail
  - an electronic change event form that can be downloaded for offline completion.
62. In addition, as part of the council's *Click-Call-Come* strategy, which aims to increase the number of customers that interact with the council online, the e-Benefits service, which went live in March 2017, provides customers with a facility to complete a fully automated online change event form.
63. The council also actively participates in the DWP's Housing Benefit Matching Service (HBMS), Audit Scotland's National Fraud Initiative (NFI), and more recently the DWP's Real Time Information (RTI) and optional RTI data matching services, which all help to identify possible unreported change events that require further investigation.
64. In 2015/16 and 2016/17, the council was successful in achieving approximately £22,000 from the DWP's Fraud and Error Reduction Incentive Scheme (FERIS) which provides council's with funding to target intervention activities at specific areas of its caseload that are considered to be at high-risk of having an unreported change event.

65. In 2016/17, the council used this funding to provide overtime for existing staff in order to carry out its programme of interventions as detailed below:
- April 2016 - new standard claims with earned income that had been processed within the previous six months
  - May 2016 - standard claims where an occupational pension was declared and the customer had not notified any change in their pension amount since 2015
  - July 2016 - working age and pension age standard claims with earned income that had not been reviewed in the previous six months
  - September 2016 - standard pension age claims with capital in excess of £12,500
  - November 2016 - standard pension age claims with no private pension that had not been reviewed in the previous 12 months
  - January 2017 - private tenant residency checks where payment is direct to the landlord, and no review had been carried out in the previous 12 months.
66. In addition, the benefit service makes good use of the benefit IT system diary facility to produce reports that highlight claims where future change events are expected, or known, which could affect the customer's benefit entitlement, for example, a significant birthday or an increase in earnings.
67. Exhibit 5 below details the outcomes from the council's interventions activity.

<b>Exhibit 5: Interventions performance</b>			
	No. of interventions completed	No. of changes identified	%
<b>2014/15</b>	725	438	60%
<b>2015/16</b>	1,141	715	63%
<b>2016/17 (28 Feb)</b>	1,688	903	53%

Source: East Dunbartonshire Council

68. In 2014/15, the council had a high non-return rate for its postal interventions at 47%. This resulted in additional work, as the service was required to contact the customer advising them that their claim had been suspended and, where no further contact was received, a further letter would be issued to advise that the claim had been cancelled.
69. In order to reduce the number of non-returns we were told that, where there was a telephone number on the claim, the Revenues and Benefits assistants would contact the customer to advise that their claim had been selected for a review, and what information they would be required to provide. This proactive approach had a significant and positive effect on the number of non-returns, which had reduced to 16%, as at 28 February 2017. This is commendable and considered good practice.

70. Audit Scotland identified two risks to continuous improvement during the previous risk assessment in that:
- although the council analysed the outcomes from its interventions activity, the analysis was not to a level that would enable it to easily identify trends and inform any future intervention programme targeted on risk
  - the council evaluated its performance in this area by comparing the number of changes identified to the number of interventions issued. Comparison instead with the number of interventions actually completed would have provided a more accurate picture and one that would not change through time.
71. We consider that one of these risks has been addressed as the council evaluates performance based on the number of changes identified against the number of interventions completed to give a more accurate assessment of performance.
72. Although the Revenues and Benefits service records interventions outcomes, it is limited to whether there had been an increase, decrease, or no change to benefit. This level of recording is not sufficiently detailed to allow the council to determine the effectiveness of its approach in financial terms, or the effectiveness of each interventions campaign, which could help ensure that future activity is informed, risk-based, and cost effective. We therefore consider that this risk remains outstanding.

## Overpayments

73. To protect public funds, councils should take appropriate steps to ensure that overpayments are minimised and that when they do occur they are correctly classified and rigorously recovered.
74. The *Corporate Debt Policy* sets out the council's approach to the recovery of debt, and to the provision of support for customers experiencing hardship. The policy aims to strike a fair balance between the needs of its customers and the financial needs of the council. For example, by:
- co-ordinating income collection, recovery and debt management activities
  - ensuring circumstances are taken into account when determining appropriate recovery action
  - adopting a debt hierarchy where customers have multiple debts
  - taking early recovery action before debts become unmanageable for the customer
  - recognising that failure to recover monies due impacts on the council's ability to provide key services.
75. At an operational level, the *HB Overpayment Policy* details the actions the Revenues and Benefits service will take when deciding, calculating and classifying benefit overpayments. If a customer has continued entitlement to benefit, the Revenues and Benefits service manages the process by recovering the overpayment from ongoing entitlement.

76. If a customer is no longer receiving benefit, the overpayment is passed to the Corporate Debt Team to take further appropriate action. This team, which consists of a Senior Debt Recovery Officer and four Recovery Officers makes good use of all available recovery options including:
- issuing an invoice when the customer is no longer in receipt of benefit
  - working with the DWP's Debt Management Unit to recover overpayments from ongoing DWP benefits where appropriate
  - utilising the DWP's Payment Deduction Programme to automate the recovery of HB overpayments from Universal Credit, where appropriate
  - offsetting an overpayment using a credit on a customer's rent account
  - using the DWP's Customer Information System to trace customers who are no longer resident within the local authority area
  - using a Direct Earnings Attachment (DEA) when the customer is in employment
  - working with Sheriff Officers, where all other available recovery options have been exhausted.
77. In order to minimise benefit overpayments, the council prioritises change events that could lead to an overpayment, uses benefit IT system reports to predict changes, and reminds customers wherever possible of the need to report any changes. We were also told that a claim would be suspended immediately if there was any doubt over entitlement and that regular monitoring and checks are carried out on overpayments, which are being recovered at a reduced rate, to ensure that the reduced rate remains appropriate.
78. This proactive approach has helped minimise the number of local authority (LA) and administrative error overpayments that can arise as a result of processing delays. This is particularly important as a council can lose subsidy where its LA/administrative error rate exceeds 0.48% of all HB payments made. In 2015/16 and 2016/17, the council has performed exceptionally against this target by recording an LA/administrative error rate of 0.36% and 0.22% respectively.
79. Exhibit 6 illustrates the council's current and previous recovery performance.

**Exhibit 6: Overpayment levels and recovery performance**

	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
<b>Total overpayments c/f</b>	£1,694,060	£1,669,801	£1,830,670	£1,969,143
<b>Total overpayments raised in-year</b>	£783,156	£784,967	£884,818	£1,083,392
<b>HB debt recovered</b>	£549,462	£594,610	£663,029	£874,851
<b>% of in-year debt recovered</b>	70%	76%	75%	81%

### Exhibit 6: Overpayment levels and recovery performance

<b>% of total HB debt recovered</b>	22%	24%	24%	29%
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Source: East Dunbartonshire Council

80. A key statement in the *Corporate Debt Policy* is that it is essential that monies due to the council are actively pursued. We consider that the council is making good use of all available resources and has delivered a very good level of recovery performance since 2013/14. This is commendable.
81. Audit Scotland identified two risks to continuous improvement during the previous risk assessment in that:
- the council's HB Overpayment Policy states that it would seek repayment of all HB debt with the exception of official error overpayments. However, it did not evaluate its recovery performance against its total HB debt
  - the audit trail from the overpayment checks did not include the reasons why the overpayment occurred or the aspect of the case affected, e.g. earned income. This information would facilitate more meaningful analysis and help the service reduce future overpayments and the associated financial losses. It could do so by informing its accuracy checking and intervention programme, staff training or revising information for its customers.
82. We consider that both of these risks have been addressed as the council reports on the value of benefit overpayments outstanding against the value of total debt outstanding as part of the Revenues and Benefits monthly performance monitoring report. In addition, as part of the monthly accuracy checks, and the 10% checks of overpayment classifications, any errors found are recorded on the summary accuracy spreadsheet, which details the reasons for the overpayment, and the aspect of the case affected.

# Appendix A

83. A key component of claims accuracy is the recording of management checks. It is essential that a council maintains a complete and accurate dataset that can be analysed to identify trends and patterns of error, and scrutinised to provide assurance that reported performance is correct.
84. When Audit Scotland analysed the council's accuracy spreadsheet we were unable to reconcile monthly and annual performance to that reported to the Revenues and Benefits senior management team at the monthly Benefit Accuracy Performance meeting.
85. Exhibits 7 below details our findings.

<b>Exhibit 7: Accuracy Performance - 2016/17</b>				
	<b>EDC Reported Financial Errors</b>	<b>Audit Scotland Financial Errors</b>	<b>EDC Reported Non-financial Errors</b>	<b>Audit Scotland Non-financial Errors</b>
<b>Apr 2016</b>	1	1	1	1
<b>May 2016</b>	1	2	8	7
<b>Jun 2016</b>	1	2	3	2
<b>Jul 2016</b>	1	1	1	1
<b>Aug 2016</b>	3	3	7	7
<b>Sep 2016</b>	3	4	7	4
<b>Oct 2016</b>	1	2	7	6
<b>Nov 2016</b>	2	2	8	10
<b>Dec 2016</b>	2	3	3	3
<b>Jan 2017</b>	1	2	0	0
<b>Feb 2017</b>	0	0	3	3
<b>Mar 2017</b>	1	1	5	6
<b>Totals</b>	17	23	53	50

Source: East Dunbartonshire Council

# Appendix B

Exhibit 8: Progress against action plan update at March 2017	
Risk	Status
Activity planning within both the Revenues & Benefits Business Plan and the action plan developed after Audit Scotland's previous risk assessment is incomplete as it does not show key milestone dates and eventual completion dates against plan.	Completed
Conflicting performance information was provided to Audit Scotland for accuracy, interventions and overpayment recovery. Discussions with service managers highlighted a need for a review of how performance is evaluated in these areas and more rigorous monitoring of the extensive monthly report.	Completed
Inconsistent reporting to committee and CMT does not present a clear picture of new claims speed of processing performance against current year target making effective scrutiny difficult. In addition, performance is not reported against the Scottish average as provided by DWP on a quarterly basis.	Completed
New claims performance, while improved, remains below the Scottish average and importantly is inconsistent with the change of circumstances performance, which is well above the Scottish average. The council needs to understand why this is the case and consider whether remedial action, such as more effective priority for new claims, should be implemented.	Completed
It was unclear what the service is aiming to do through its quality checking. Now that this has been established a review of the council's approach to quality checking is required to ensure optimum effectiveness and efficiency.	Completed
The audit trail recording the outcome of quality checking is not sufficiently detailed to identify the type of cases where errors occur and as a result cannot be used to inform a more risk-based approach.	Completed
The required checks are not carried out consistently throughout the year, which increases the risk of error in the caseload and makes fair and effective individual monitoring difficult.	Completed
The performance management information is confusing and does not make immediately clear how the service is performing in minimising financial error. As part of the review, it needs to consider and simplify	Completed

<b>Exhibit 8: Progress against action plan update at March 2017</b>	
how it evaluates success.	
Although the council analyses the outcomes from its interventions activity, the analysis is not to a level that would enable it to easily identify trends and inform any future intervention programme targeted on risk.	Ongoing
The council currently evaluates its performance in this area by comparing the number of changes identified to the number of interventions issued. Comparison instead with the number of interventions actually completed would provide a more accurate picture and one that would not change through time.	Completed
The council's HB Overpayment Policy states that it will seek repayment of all HB debt with the exception of official error overpayments. However, it does not evaluate its recovery performance against its total HB debt.	Completed
The audit trail from the overpayment checks does not include the reasons why the overpayment occurred or the aspect of the case affected, e.g. earned income etc. This information would facilitate more meaningful analysis and help the service reduce future overpayments and the associated financial losses. It could do so by informing its accuracy checking and intervention programme, staff training or revising information for its customers.	Completed