
To: Audit, Scrutiny & Petitions Board

On: 30 March 2015

Report by: Director of Finance and Resources

Heading: Audit Scotland Report – Housing Benefit Subsidy Audit 2013/14

1. **Summary**

- 1.1 Audit Scotland published their report *“Review of auditors’ housing benefit subsidy claim reported errors 2013/14”* in February 2015 (copy attached as Appendix)

This report outlines the key messages from the Audit Scotland report and provides information as to the Renfrewshire Council position with regard to the issues raised.

2. **Recommendations**

- 2.1 To note the Audit Scotland report *“Review of auditors’ housing benefit subsidy claim reported errors 2013/14”*
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3. **Background**

- 3.1 Councils have a legal obligation to administer Housing Benefit (HB) on behalf of the Department for Work and Pensions (DWP). Councils reclaim most of the HB that they pay to claimants by submitting subsidy claims to the DWP and these are certified annually by the Council's appointed external auditor, Audit Scotland. The subsidy claim form details amounts paid in respect of total HB awarded, the value of overpayments and the amount of backdated awards.

The HB subsidy scheme has built in incentives to encourage local authorities to take appropriate action to minimise overpayment of Housing Benefit.

- 3.2 The Council's external auditor is Audit Scotland, who audited all 32 Local Authorities' subsidy claims for 2013/14. The auditor is required to conclude annually whether the subsidy claim is fairly stated and certify it accordingly. Any errors identified are reported to the DWP.

- 3.3 Renfrewshire Council received a letter from Audit Scotland on 26 November 2014 which certified the Council's subsidy claim with no errors/qualifications.

- 3.4 At the end of February 2015, Audit Scotland published its report *"Review of auditors' housing benefit subsidy claim reported errors 2013/14"* The objective of the report was to provide information regarding the extent to which auditors reported errors during the certification of the 2013/14 HB Subsidy claim process across Scotland.

Importantly the report details the type of errors which were identified that could result in a local authority losing subsidy, highlighting issues which could be common across a number of councils and ultimately could result in the DWP reclaiming subsidy from local authorities.

- 3.5 The report states that Scottish councils paid out £1.772 billion in HB during 2013/14. Of that £1.772 billion the DWP contributed £1.728 billion through subsidy payments (97.5%). With regards to Renfrewshire £65.5 Million in HB was paid out during 13/14 and £64.6 Million was claimed back from the DWP (98.5%).

- 3.6 The report also stated, through the audit certification process, that Audit Scotland had identified errors which resulted in subsidy being over claimed by £0.274 million (0.01% of expenditure) This subsidy could be reclaimed from the affected Local Authorities by the DWP.
- In addition to the errors identified by Audit Scotland, the report also confirmed that 5 local authorities were unable to claim £0.784 million in subsidy as a result of exceeding the pre agreed DWP threshold limit for HB Overpayments caused by Local authority error.
- 3.7 Overall Audit Scotland reported 60 errors following their 2013/14 review these errors occurred across 19 of the 32 local authorities. As stated in paragraph 3.3 no errors were reported for Renfrewshire Council. The areas where most errors were identified were in the calculation of claimant income and the classification of HB overpayments.
- 3.8 Renfrewshire Council's benefits service monitors the subsidy process very closely. This monitoring has resulted in no errors being identified by the 2013/14 review and a higher than average HB proportion claimed back through the Subsidy process.
- 3.9 Officers within the Service have examined the Audit Scotland report in detail and from the insights which the report provided have agreed actions to take forward. The activities planned are proactive and include additional checks being implemented to minimise the risk of future subsidy loss.
- 3.10 Regular reports with regards benefits processing performance are provided to the Finance & resources Policy Board; along with associated updates on welfare reform activities.

Implications of the Report

1. **Financial** – The amount of subsidy which the Council can claim from the DWP is maximised, where possible. Any gap between HB paid out and subsidy claimed must be funded by the Council.
2. **HR & Organisational Development** - *none*
3. **Community Planning** –
Community Care, Health & Well-being – *an efficient benefits processing service ensures that those who are entitled to receive benefits do so in good time*

4. **Legal** - *none*
 5. **Property/Assets** - *none*
 6. **Information Technology** - *none*
 7. **Equality & Human Rights**
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
 8. **Health & Safety** - *none*
 9. **Procurement** – *none*
 10. **Risk** - *none*
 11. **Privacy Impact** - *none*
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Review of auditors' housing benefit subsidy claim reported errors 2013/14



Prepared for Audit Strategy
February 2015



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.

Contents

Introduction.....	5
Purpose of report.....	5
Summary of findings	6
Auditor testing and reporting methodology	7
2013/14 errors reported	8
Introduction	8
Income	9
Overpayment classification.....	10
Eligible rent	11
Information Technology (IT) issues	12
Local authority error and administrative delay subsidy	12
Expenditure classification	14
Reconciliations	15
Modified schemes	15
Uncashed cheques.....	15
Premiums.....	16
Disproportionate rent increase	16
Appendix 1	17
Appendix 2	19
Appendix 3	23
Appendix 4	26
Appendix 5	28
Appendix 6	30
Appendix 7	32
Appendix 8	33
Appendix 9	35

Introduction

1. Housing benefit (HB) is a means tested social security benefit, administered by local authorities on behalf of the Department for Work and Pensions (DWP). HB is intended to help claimants meet housing costs for rented accommodation both in the private and social rented sector.
2. HB is split into two different categories; rent rebates, where the local authority is the landlord, and rent allowances, where the landlord is for example, either a social sector organisation or a private individual.
3. Local authorities reclaim most of the HB that they pay to claimants by submitting subsidy claims to the DWP that are certified annually by each authority's appointed external auditor. The subsidy claim form details the authority's HB expenditure which is recorded in various cells on the form. These cells include total rent rebate and total rent allowance expenditure and the amounts paid in respect of the total value of overpayments, the value of backdated HB awarded, and the amount of HB paid in respect of customers in temporary accommodation.
4. The HB subsidy scheme has built in incentives to encourage local authorities to take appropriate action to minimise overpayments of HB, expenditure above DWP set limits and administrative delays.

Purpose of report

5. Each local authority's appointed external auditor is required to conclude annually whether the subsidy claim is fairly stated and certify it accordingly. Any errors identified are reported to the DWP in a covering letter that accompanies the final claim.
6. The purpose of this report is to provide insight into the extent to which auditors reported errors during the certification of the 2013/14 HB subsidy claim process, and the type of errors identified that could result in a local authority losing subsidy.
7. Audit Scotland reviewed the subsidy claim covering letters of all 32 Scottish local authorities for 2013/14. The review focused on errors reported by auditors as well as where levels of overpaid HB exceeded DWP thresholds for subsidy.

8. This report sets out the main findings from the review. As well as identifying areas where the DWP may reclaim subsidy from local authorities, it also identifies issues which may be common across a number of local authorities and therefore where attention should be focused in order to maximise subsidy claimed in the future.

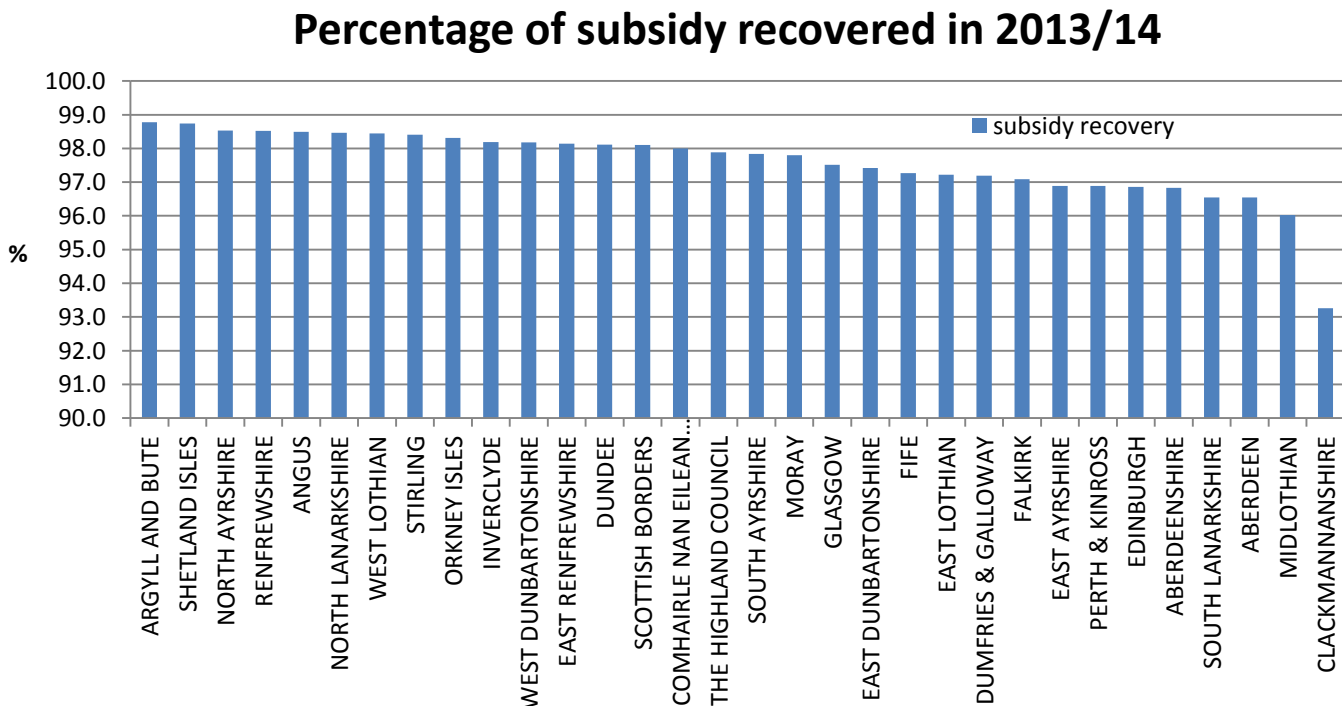
Summary of findings

9. During 2013/14, Scottish local authorities paid out £1.772 billion in HB (£1.791 billion in 2012/13). The DWP contributed £1.728 billion (£1.748 billion in 2012/13) to this expenditure through subsidy payments.
10. The certification of the 2013/14 subsidy claims by auditors identified errors which resulted in subsidy being over claimed by £0.274 million, 0.01% of expenditure (£0.149 million in 2012/13) which the DWP may decide to reclaim. In addition, five local authorities were unable to claim a total of £0.784 million (£0.809 million in 2012/13) in subsidy as a result of exceeding the pre-agreed DWP threshold limits for local authority and administrative delay HB overpayments.
11. Auditors reported 60 errors in their 2013/14 certification letters in respect of 19 of the 32 Scottish local authorities. No issues were identified in the certification of the remaining 13 local authority's subsidy claims. This is an increase in the number of errors reported from 2012/13 where auditors identified 40 errors across 20 local authorities.
12. The areas where most errors were identified were the calculation of claimant income and the classification of overpaid HB. Auditors reported that, in order to help reduce subsidy loss, effective management arrangements should be in place to ensure overpayments, processing errors and administrative delays are minimised and, where they do occur, that overpayments are correctly classified and calculated.

Auditor testing and reporting methodology

13. In 2013/14, £1.772 billion (£1.791 billion in 2012/13) was paid out in HB and £1.728 billion (£1.748 billion in 2012/13) of this expenditure was recovered from the DWP in subsidy. The DWP also pay administration subsidy of £40.8 million (£46.5 million in 2012/13) which is paid to local authorities to administer the HB scheme. As shown in Exhibit 1, the percentage of subsidy recovered (net of administration subsidy) from the DWP varies across local authorities from 93.3% to 98.8%.

Exhibit 1: percentage of HB expenditure recovered through subsidy



Note: Clackmannanshire Council's low recovery rate was partially due to not receiving subsidy on a significant amount of their expenditure on certain types of temporary homeless accommodation.

14. Local authorities should ensure that effective arrangements are in place to review subsidy claims to identify areas for potential improvement. This may include the identification of areas where staff training would be beneficial, proactive monitoring of workloads, and areas requiring additional quality review checks and/or intervention activity.

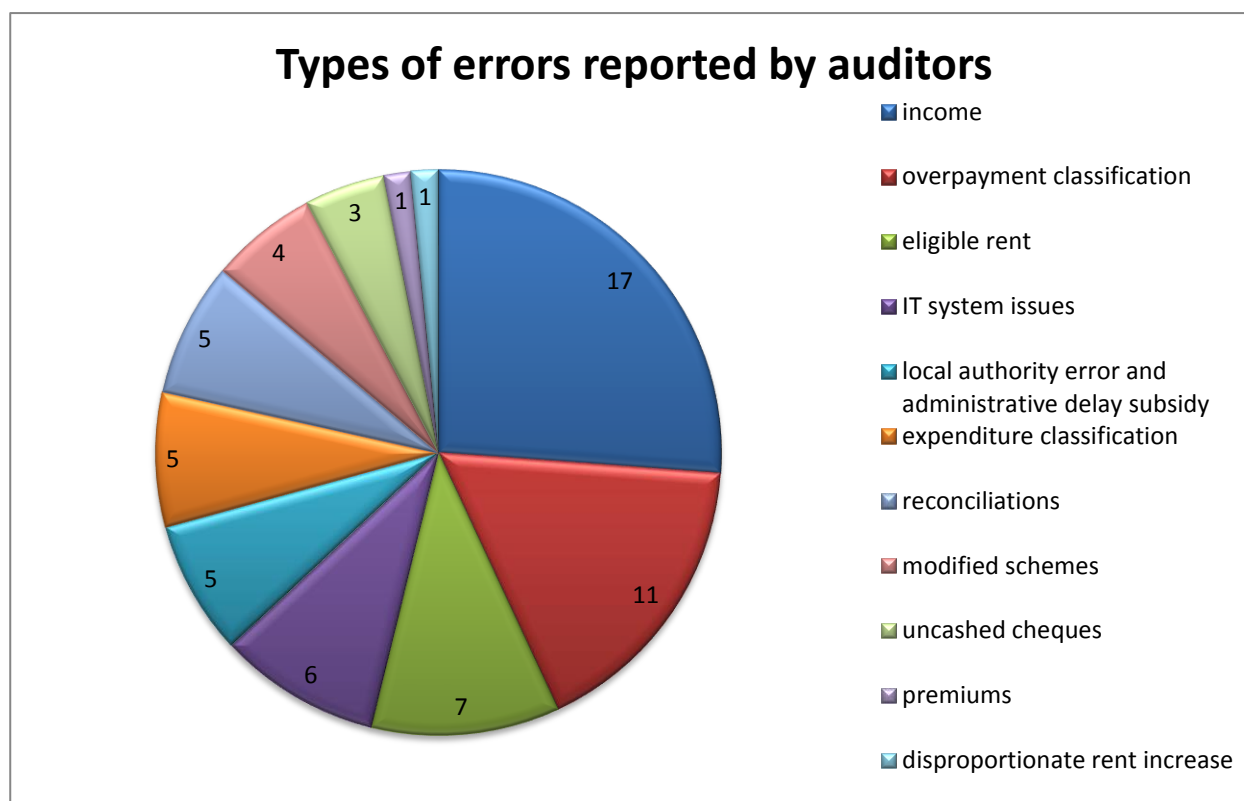
15. The DWP requires that final subsidy claims are reviewed by external auditors using the HB COUNT testing and reporting methodology.
16. Where auditors identify errors and are unable to conclude that the errors are isolated, HB COUNT methodology requires that an additional sample of cases is tested which is focused on the particular error that had been found.
17. HB COUNT methodology also requires auditors to extrapolate the results of the initial and additional testing by multiplying the subsidy cell (or sub-population) total by the proportion of the sample value that is found to be in error, and agree an amendment to the claim form with the local authority. Where an amendment cannot be agreed, the auditor includes details of the error and testing carried out in their covering letter to the DWP.

2013/14 errors reported

Introduction

18. Auditors reported 60 errors in the covering letters sent to the DWP in respect of 19 of the 32 Scottish local authorities. No issues were identified in the certification of the remaining 13 local authorities' subsidy claims. This is an increase in the number of errors from 2012/13 where auditors reported 40 errors and issues across 20 local authorities. In addition, five local authorities breached the DWP threshold limits for local authority error and administrative delay overpayments in 2013/14 (four in 2012/13).
19. The nature and number of the errors reported, along with the potential impact should the DWP decide to reclaim subsidy in respect of those errors, are discussed in the following paragraphs. Appendix 1 provides further detail of the errors in respect of the eleven local authorities where these errors resulted in overpayments of HB and where there the DWP might potentially reclaim subsidy. If the DWP do decide to reclaim subsidy, over £0.274 million (£0.149 million in 2012/13) may be reclaimed across Scotland. Although, the DWP can reclaim subsidy where overpayments are identified, no additional funding is provided where underpaid benefit is identified by auditors.
20. As shown in exhibit 2 below, the errors identified by auditors in 2013/14 were mainly due to the miscalculation of income and overpayment classification. These errors could equally apply to either rent rebates or rent allowances. In order to help reduce subsidy loss, local authorities should ensure that effective management arrangements are in place to help minimise processing errors, overpayments and administrative delays and, where overpayments have occurred, they are correctly classified and calculated.

Exhibit 2: Types of errors reported by auditors



21. The various types of error identified during the certification of the 2013/14 subsidy claims are discussed in the following paragraphs and referenced to the appropriate cells on the subsidy claim form. Where adjustments could not be made to subsidy claims, the potential impact should the DWP decide to reclaim subsidy in respect of these errors is shown.
22. The auditors' findings demonstrate that the identification of low value errors in their sample testing can result in relatively large amounts of subsidy being reclaimed as a result of the extrapolation process carried out as part of the HB COUNT methodology.
23. Errors reported in covering letters to the DWP that do not affect subsidy for 2013/14 are also discussed because they could also result in a loss of subsidy in the future.

Income

24. Claimant income is a key factor in determining whether a claimant qualifies for HB and, if they qualify, how much benefit they are entitled to received. It is vital therefore, that local authorities accurately calculate claimant income in HB assessments. This area is where auditors identified most errors.

25. A total of 17 errors were reported by auditors in eight local authorities which are detailed in appendix 2. These relate to errors in respect of claimant income, such as salaries, occupational pensions and tax credits, being incorrectly entered in HB entitlement calculations.
26. For example, in one case it was identified that HB had been underpaid by £5.84 as a result of miscalculating the claimant's salary. Additional audit testing identified a further two errors (total value £80). The effect of these errors following extrapolation using HB COUNT methodology was to overstate rent rebate expenditure attracting full subsidy by £27,030 with a corresponding understatement of local authority error and administrative delay overpayments.
27. Local authorities should ensure effective, risk based accuracy checking processes and appropriate training are in place to help minimise errors in the accurate calculation of claimant income.

Overpayment classification

28. The DWP does not fully fund overpayments of HB to encourage local authorities to take due care when processing claims to ensure that they are accurate and also to encourage local authorities to vigorously recover overpayments, where appropriate.
29. HB may be overpaid to claimants for a number of reasons. The subsidy claim form categorises overpayments as follows:
 - DWP error
 - local authority error and administrative delays
 - claimant error (eligible overpayments)
 - timing issues (technical overpayments).
30. The type of overpayment affects the amount of subsidy received. For example eligible overpayments receive 40% subsidy and local authority error and administrative delay overpayments can receive up to 100% subsidy.
31. Where local authority error and administrative delay overpayments are less than or equal to the DWP's pre-agreed lower threshold, local authorities receive 100% subsidy (see paragraph 40). Therefore misclassification of overpayments as eligible (i.e. claimant error) instead of local authority error will result, in those local authorities that are below the DWP threshold losing subsidy as only 40% subsidy would have been claimed instead of 100%.

- 32. The errors that follow relate to the detailed cells where the expenditure was recorded, including local authority error and administrative delay overpayment details which receive a zero subsidy recovery rate.
- 33. Eleven errors were reported by auditors in five local authorities. These mainly relate to errors where overpayments had been classified as eligible overpayments instead of local authority error.
- 34. For example, nine eligible overpayments (total value £768.30) were identified in one local authority which had been classified as claimant error when they should have been classified as local authority error. Following extrapolation of these errors using HB COUNT methodology, the effect of these errors was to overstate the value of rent rebate expenditure attracting full subsidy by £1,636.17 and rent rebate eligible overpayments by £40,920.25 with a corresponding understatement in local authority error and administrative delay overpayments of £42,556.42.
- 35. Local authorities should have effective accuracy checking processes in place to ensure the accuracy of overpayment calculations and classifications. In addition, as a final check, the annual subsidy claim should be reviewed prior to submission to the DWP and auditors for certification. Errors reported by auditors are detailed in appendix 3.

Eligible rent

- 36. An essential element of every HB calculation is the accurate calculation of the claimant's eligible rent. Eligible rent means the reasonable rent for a suitable property in a particular area. It can include certain service charges (e.g. lift maintenance or a communal laundry) but not charges such as heating, meals, or the provision of furniture. In addition, the introduction by the DWP of the removal of the spare room subsidy (RSRS) for working age social tenants from 2013 resulted in an element of rental payments not being eligible for HB for those claimants whose properties had more rooms than the DWP's size criteria stated that they needed.
- 37. Seven errors were reported by auditors in five local authorities. These are detailed in appendix 4 and included issues relating to the RSRS , and errors in calculating eligible rent due to, for example, not excluding ineligible service costs.
- 38. For example, three cases were identified in one local authority where HB had been underpaid (total value £88.30) as a result of incorrect eligible rent figures being used in the HB calculation. Additional testing identified one other case where HB had been overpaid by £627. The effect of these errors was to overstate total rent allowance expenditure, at or below the

rent officer's determination, by £75,788 with a corresponding understatement in local authority error and administrative delay overpayments.

Information Technology (IT) issues

39. HB is a complex benefit to calculate and therefore it is important that HB IT systems operate effectively and system parameters are updated appropriately to ensure that claims are accurately calculated.
40. Seven errors were reported by auditors in five local authorities. These included issues relating to system parameters being incorrectly set. Local authorities should ensure that parameters within the HB system are accurate and agree to all uprating information provided by the DWP in its circulars. When parameters are updated, independent checks should be carried out to ensure that the update is accurate. Errors reported by auditors are detailed in appendix 5.

Local authority error and administrative delay subsidy

41. In April 2004, an initiative was introduced by the DWP to allow local authorities to receive additional subsidy in respect of their local authority error and administrative delay overpayments where the total value of these overpayments was within a specified percentage of the total value of all correct payments made.
42. The level of subsidy that local authorities may claim for local authority error and administrative delay overpayments is determined by these thresholds, expressed as a percentage of the value of correct payments made. The thresholds are as follows:
 - lower threshold 0.48%
 - upper threshold 0.54%.
43. Where the local authority error and administrative delay overpayments are less than or equal to the lower threshold, local authorities receive 100% subsidy. Where they are more than the lower threshold but less than the upper threshold, local authorities receive 40% subsidy on the value of overpayments above the lower threshold. No subsidy is payable on the value of overpayments that are above the upper threshold.
44. As illustrated in exhibit 3 below, five local authorities exceeded the upper threshold in 2013/14 (two local authorities were above the upper threshold with a further two between the upper and lower threshold in 2012/13), with the remaining 27 authorities below the threshold. The total value of local authority error and administrative delay overpayments in respect of these five local authorities was £1,156,048 (£1,187,179 for the four local authorities in 2012/13). As a result no subsidy was paid to these local authorities in respect of these overpayments. The

maximum amount of additional subsidy unable to be claimed was 100% of the lower threshold which equalled £783,849 (£809,042 in 2012/13). The value of subsidy unable to be reclaimed for the individual local authorities ranged from £23,281 to £243,321 (£112,297 to £308,547 in 2012/13).

45. East Ayrshire Council was unable to claim subsidy in 2012/13 due to being above the upper threshold and Falkirk Council also was unable to claim part of their local authority error and administrative delay subsidy in 2012/13 due to being above the lower threshold.

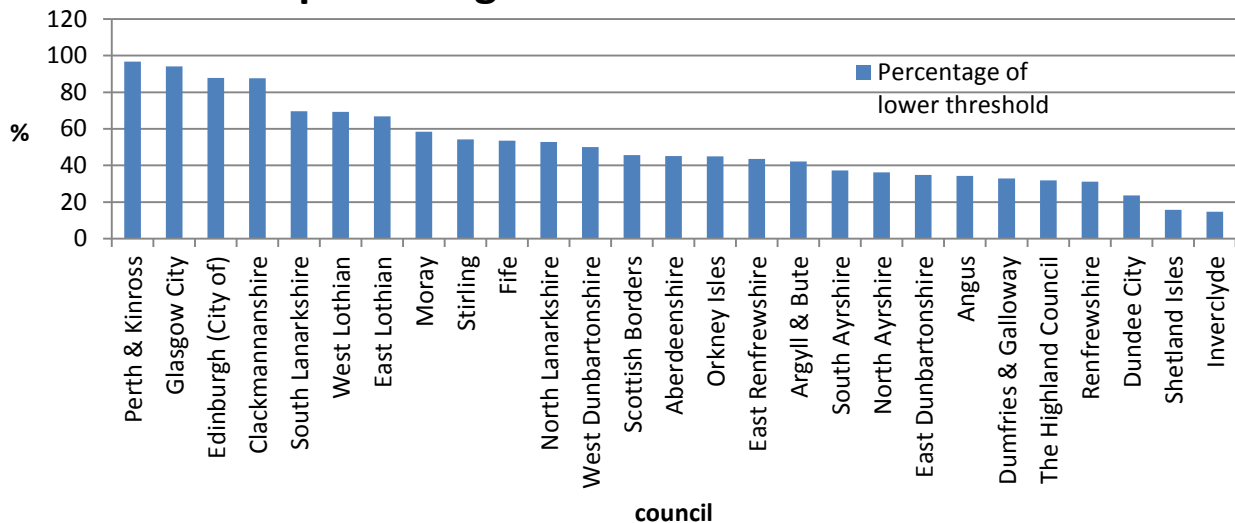
Exhibit 3: Local authority error and administrative delay overpayment subsidy

Local authority	Lower threshold	Upper threshold	Actual overpayments
Aberdeen City	£243,321	£273,739	£303,180
Comhairle nan Eilean Siar	£23,281	£26,191	£31,292
East Ayrshire	£202,986	£228,359	£375,812
Falkirk	£190,662	£214,495	£247,301
Midlothian	£123,599	£139,048	£198,463
TOTAL	£783,849		£1,156,048

46. As shown in Exhibit 4, a review was undertaken by Audit Scotland of the other 27 local authorities where the level of local authority error and administrative delay overpayments was below the DWPs lower threshold.
47. Local authorities should have arrangements in place to monitor overpayment levels on an on-going basis in order to avoid subsidy loss where possible. Effective accuracy checking processes should also be in place to help minimise errors.

Exhibit 4: local authority error and administrative delay overpayments

Local authority error and administrative delay overpayments as a percentage of the lower threshold



Expenditure classification

48. The DWP subsidy claim requires that HB expenditure is correctly classified across the various cells contained in the form. This is particularly important as different types of expenditure attract different rates of subsidy.
49. Five errors were reported by auditors in four local authorities. These are detailed in appendix 6 and include issues relating to rent rebates being classified as rent allowances and vice versa.
50. For example, in one local authority, sample testing of rent rebate cases identified two claims in relation to properties that had been transferred to the control of a local housing association. These claims should have been recorded within the rent allowance cells. Further testing identified that 7.8% of the total value of rent rebates claimed under expenditure in respect of leased or self-contained licensed accommodation should have been recorded in the rent allowances cells resulting in adjustments of £86,374.63 and £7,626.84 being agreed with the local authority.
51. Local authorities should ensure that effective accuracy checking processes are in place to ensure that HB entitlement is accurately calculated and the expenditure is correctly recorded. In addition, local authorities should ensure checks are carried out on subsidy claims prior to being submitted to the DWP and for certification by auditors.

Reconciliations

- 52. Reconciliations are an important part of the subsidy claim and as part of the certification process, auditors are required to check that benefits granted per the subsidy claim form agree with the reconciliation figures within the HB IT system for the amount of benefit granted and paid. In addition, the subsidy claim form contains an in-year reconciliation cell which is calculated automatically and seeks to confirm that the figure in each total expenditure cell is supported by an analysis of expenditure.
- 53. Five errors were reported by auditors in four local authorities where there were anomalies in the reconciliation data. Local authorities should ensure that regular reconciliations are carried according to the software suppliers' guidance, and ensure that any issues identified are investigated and rectified. Errors reported by auditors are detailed in appendix 7.

Modified schemes

- 54. Modified schemes are where a local authority operates a discretionary local scheme to disregard any war pension over and above the statutory disregards. This discretionary expenditure receives subsidy of 0.2% of the total subsidy claimed before any local scheme expenditure and is capped at 75% of the total cost of the discretionary scheme.
- 55. Four errors were reported by auditors in four local authorities. These included errors regarding the assessment of the claimants' income and software issues. Local authorities again should ensure effective accuracy checking processes are in place to try to minimise errors. In addition, local authorities should ensure checks are carried out on subsidy claims prior to being submitted to the DWP and for certification, and that any issues identified are investigated and rectified. Errors reported by auditors are detailed in appendix 8.

Uncashed cheques

- 56. Local authorities may pay HB by cheque to claimants and/or landlords. At the year end, an adjustment is required in the subsidy claim form to account for cheques which were issued prior to 1 April 2013 that have not been cashed.
- 57. Errors were reported by auditors in three local authorities. These relate to uncashed cheques being not included on the subsidy claim form in error as well as the treatment of cheques included on the subsidy claim form. Local authorities should ensure DWP guidance on the completion of subsidy claim forms is reviewed annually and action taken to ensure subsidy claims are completed in accordance with the guidance. Errors reported by auditors are detailed in appendix 9.

Premiums

- 58. Where a claimant has a special need, there are a number of premiums which can be awarded when entitlement to HB is calculated.
- 59. Testing in North Lanarkshire Council identified one claim where a carer's premium had been applied in error when calculating the HB award.
- 60. Additional testing identified one further case (value £220.32) where a carer's premium had been applied in error. The result of this error was to overstate cell 023, rent rebate expenditure attracting full subsidy by £2,297 with a corresponding understatement in cell 026 local authority error and administrative delay overpayments.

Disproportionate rent increase

- 61. Disproportionate rent increase is where deductions are made in calculating qualifying expenditure for subsidy purposes where a local authority has increased the average rent of local authority tenants receiving rent rebates by a higher percentage increase than the percentage increase in the averages rents of tenants who are not receiving rebates.
- 62. Local authorities receive exemption from this deduction where it can be demonstrated that the authority has set its rent charges to reflect the characteristics of the individual properties and services rather than the HB status of the tenants.
- 63. In Angus Council, cell 181b on the subsidy claim form had been completed to reflect that the local authority was seeking exemption from the disproportionate rent increase on the basis of a rent increase by a common percentage. For completeness, cell 180a should also have been completed to reflect that the local authority has open and transparent rent setting policies. This error did not affect subsidy claimed.

Appendix 1

Potential recovery of subsidy by DWP for those local authorities where errors resulted in overpaid HB

Local authority	Error	Rent rebate	Rent allowance	Total potential recovery of subsidy by DWP
Aberdeen	<ul style="list-style-type: none"> Earned income errors Misclassification of overpayments Occupational pension income errors Tax credit errors 	<ul style="list-style-type: none"> £22,886 £18,004 £1,147 £838 	<ul style="list-style-type: none"> £8,497 £4,561 £477 	£56,410
Aberdeenshire	<ul style="list-style-type: none"> Calculation over a 52 week period instead of a 53 week period 	<ul style="list-style-type: none"> £15,488 		£15,488
Comhairle Nan Eilean Siar	<ul style="list-style-type: none"> Income errors Incorrect eligible rent 	<ul style="list-style-type: none"> £127 £81 		£208
Dumfries & Galloway	<ul style="list-style-type: none"> Earned income error Misclassification of overpayments 	<ul style="list-style-type: none"> £55 £8 		£63
East Renfrewshire	<ul style="list-style-type: none"> In year reconciliation 	<ul style="list-style-type: none"> £316 	<ul style="list-style-type: none"> £316 	£632
Fife	<ul style="list-style-type: none"> In year reconciliation Prior year uncashed payments 		<ul style="list-style-type: none"> £2,971 £5,985 	£8,956
Highland	<ul style="list-style-type: none"> Incorrect eligible rent figures Earned income errors Prior year uncashed payments 	<ul style="list-style-type: none"> £27,030 	<ul style="list-style-type: none"> £75,788 £5,006 	£107,824

Local authority	Error	Rent rebate	Rent allowance	Total potential recovery of subsidy by DWP
Midlothian	<ul style="list-style-type: none"> Misclassification of overpayments Earned income errors 	<ul style="list-style-type: none"> £615 £68 	<ul style="list-style-type: none"> £342 £15 	£1,040
North Lanarkshire	<ul style="list-style-type: none"> Incorrect eligible rent-under occupancy deduction errors Error with a carer's premium Misclassification of overpayments 	<ul style="list-style-type: none"> £69,926 £2,297 £505 	<ul style="list-style-type: none"> £116 	£72,844
Perth & Kinross	<ul style="list-style-type: none"> Child benefit income error 	<ul style="list-style-type: none"> £212 		£212
Stirling	<ul style="list-style-type: none"> Earned income errors 	<ul style="list-style-type: none"> £10,385 		£10,385
TOTAL				£274,062

Appendix 2

Details of reported errors relating to income

Aberdeen City Council

Three rent rebate cases (total value £262.31) were identified where HB had been overpaid due to the miscalculation of the claimant's wages.

Additional testing identified a further four cases (total value £789.64) where HB had been overpaid, a further two cases where benefit had been underpaid and two cases where the miscalculation of employed earnings did not result in a monetary error.

The effect of the error was to overstate cell 023, rent rebate expenditure attracting full subsidy by £22,886.31 with a corresponding understatement in cell 026, local authority error and administrative delay overpayments.

Testing was carried out on rent rebate claimants with occupational pension due to errors identified in previous years. This identified seven rent rebate cases (total value £88.61) where HB had been overpaid.

The effect of this error was to overstate cell 023 by £1,147.33 with a corresponding understatement in cell 026.

Testing carried out on rent rebate claims containing Working Tax Credits due to errors identified in previous years, identified two cases (total value £43.54) where HB had been overpaid and a further two cases where HB had been underpaid.

The effect of these errors was to overstate cell 023 by £838.12 with a corresponding understatement in cell 026.

Testing identified one rent allowance case where there was a miscalculation of the claimant's wages.

Testing of an additional sample of cases identified a further five cases (total value £607.85) where HB had been overpaid, six cases where benefit had been underpaid, and a further case where an error had no impact on the level of benefit paid.

The effect of this error was to overstate cell 102, rent allowance expenditure not requiring referral to the rent officer, by £3,799.14 and cell 103, expenditure administered under local housing allowance rules by £4,698.46 with a corresponding understatement of £8,497.60 in cell 113, local authority error and administrative delay overpayments.

Testing identified ten rent allowance cases (total value £168.03) where HB had been overpaid as a result of the miscalculation of the claimant's earnings from an occupational pension. Additional

Details of reported errors relating to income

testing identified a further four cases where HB had been underpaid and two cases where errors did not result in a monetary error.

The effect of this error was to overstate cell 099, rent allowance expenditure administered under rent officer arrangements up to the maximum rent by £8.10 and cell 102, expenditure not requiring referral to the rent officer by £469.66 with a corresponding understatement of £477.76 in cell 113, local authority error and administrative delay overpayments.

Testing identified two cases where an error was made when calculating Employment Support Allowance (ESA). There was no impact on the level of benefit paid.

Comhairle Nan Eilean Siar

Testing identified one case where an incorrect salary was used in the HB calculation. This error however did not impact on the claimant's benefit entitlement.

Additional testing identified one case where HB had been underpaid as a result of the authority miscalculating weekly earned income.

As there is no eligibility to subsidy for benefit which has not been paid, these errors have not been classified as errors for subsidy purposes.

Testing identified one rent allowance case (£2.91) where HB had been overpaid as a result of applying an incorrect ESA component in the HB calculation, and one case (£0.68) where HB had been overpaid as a result of using an incorrect savings credit amount. Testing of an additional sample of cases identified no further errors.

The effect of these errors was to overstate cell 102, rent allowance expenditure not requiring referral to the rent officer, by £127 with a corresponding understatement of cell 113, local authority error and administrative delay overpayments.

Dumfries & Galloway Council

Testing identified one case where the average weekly income for the claimant had been calculated incorrectly. The claimant's average income had been calculated based on 2 four-weekly payslips which had been provided. However, the claimant worked on a 4/4/5 week basis and therefore his average income had not been calculated correctly.

As testing of an additional sample of cases identified no further errors, the error was deemed to be an isolated incident.

The effect of the error was to overstate cell 014, leased or self-contained licensed accommodation where the local authority is the landlord by £55.45 with a corresponding understatement of cell 026, local authority error and administrative delay overpayments.

Details of reported errors relating to income

The Highland Council

Testing identified one case where HB had been underpaid by £5.84 as a result of miscalculating the claimant's salary.

Testing of an additional sample of cases identified two cases where HB had been overpaid benefit (total value £80).

The effect of these errors was to overstate cell 023, rent rebate expenditure attracting full subsidy by £27,030 with a corresponding understatement of cell 026, local authority error and administrative delay overpayments.

Midlothian Council

Testing identified one rent rebate case (total value £4.67) where HB was overpaid due to an error in the calculation of the claimant's salary.

Additional testing identified one case (total value £2.52) where benefit was overpaid and four cases (total value £58.80) where benefit was underpaid.

The combined effect resulted in an understatement of £68.83 in cell 026, local authority error and administrative delay overpayments, with corresponding overstatements of £44.70 in cell 012, board and lodging or non-self-contained licensed accommodation where the local authority is the landlord, and £24.13 in cell 023, rent rebate expenditure attracting full subsidy.

Testing identified one rent allowance case (total value £0.12) where HB had been overpaid due to an error in the calculation of a claimant's salary.

Additional testing identified one case (total value £0.75) where benefit was overpaid and one case (total value £0.26) where benefit was overpaid.

The effect is an overstatement in cell 102, rent allowance expenditure not requiring referral to the rent officer of £10.44, an overstatement in cell 103, rent allowance expenditure administered under local housing allowance rules, of £5.29, with a corresponding understatement of £15.73 in cell 113, local authority error and administrative delay overpayments.

Testing identified one case (total value £0.56) where HB had been underpaid due to the wrong tax credit amount being applied.

Additional testing identified one case (total value £0.13) which again resulted in an underpayment of benefit.

As there is no eligibility to subsidy for benefit that has not been paid, the above underpayment does not affect subsidy.

Details of reported errors relating to income

Perth & Kinross Council

Testing identified one case where HB had been overpaid (value £212) due to mistakenly removing child benefit from a claim. This had reduced the claimant's income for a subsidy period (2008/09) when child benefit was not disregarded as income.

The auditor reviewed the other two cases where adjustments were made to HB relating to 2008/09. For these two cases child benefit was not applicable.

It was concluded that this error is isolated and that cell 031, prior year rent rebate local authority error and administrative delay overpayments is understated by £212 with a corresponding overstatement in cell 034, rent rebate subsidy claimed at full rate.

Stirling Council

Testing carried out in a local authority on rent rebate claimants' earned income due to errors identified in previous years, identified three errors resulting in two cases (total value £2192.19) where benefit was overpaid, and one case (total value £0.01) where benefit was underpaid.

The effect of these errors is to overstate cell 023, rent rebate expenditure attracting full subsidy by £10,385.66 with a corresponding understatement in cell 026, local authority error and administrative delay overpayments.

Testing identified one rent allowance case (total value £1.31) where HB had been underpaid as a result of the authority miscalculating the claimant's income.

Additional testing identified one additional error which resulted in an underpayment (total value £2.07).

As there is no eligibility for subsidy for benefit that has not been paid, the underpayment does not affect subsidy.

Inverclyde Council

Testing identified one case (total value £1,435.94), where HB had been underpaid as a result of the authority miscalculating the earned income of the claimant's non-dependent resulting in the wrong non-dependent deduction amount being applied to the HB award.

No further underpayments or overpayments were identified.

As there is no eligibility for subsidy for benefit which has not been paid, the underpayment identified does not affect subsidy.

Appendix 3

Details of reported errors relating to overpayment classification

Aberdeenshire Council

One authority informed their auditor that an error had been identified where the weekly rent rebate had been calculated on a 52 week period instead of a 53 week period, resulting in overpayments being made throughout the year.

The affected claims were re-assessed via a mass calculation in March 2014 which resulted in the overpayments being automatically classified as claimant error when the classification should have been local authority error. The local authority manually carried out a re-classification exercise in subsidy year 2014/15 and the change of overpayment classification will be reflected in the 2014/15 subsidy claim.

A total of 2,519 claims were affected, resulting in overpayments totalling £38,721.67. The effect of this error resulted in an overstatement in cell 028, rent rebate eligible overpayments (40% subsidy recover rate) by £38,721.67 with a corresponding understatement in cell 026, local authority error and administrative delay overpayments (zero subsidy recovery rate).

Aberdeen City Council

Testing of rent rebate eligible overpayments identified nine cases (total value £768.30) where the overpayment had been wrongly classified as an eligible error when it should have been classified as a local authority error.

The effect of this error resulted in an overstatement in cell 023, rent rebate expenditure attracting full- rate subsidy (100% subsidy recovery rate) by £1,636.17 and cell 028, rent rebate eligible overpayments by £40,920.25 (40% subsidy recovery rate) with a corresponding understatement in cell 026, local authority error and administrative delay overpayments of £42,556.42 (zero subsidy recovery rate).

Three rent allowance eligible overpayment cases (total value £307.71) were identified where the overpayments had been wrongly classified as an eligible error when they should have been classified as a local authority error. Additional testing identified a further two cases where the overpayment was correctly classified, but had been overstated.

The effect of this error resulted in an overstatement to cell 103, claims administered under local housing allowance rules, by £2,115.27 (100% subsidy recovery rate) and cell 114, eligible rent allowance overpayment, by £4,298.29 (40% subsidy recovery rate) with a corresponding understatement in cell 113, local authority error and administrative delay overpayments of £6,413.56 (zero recovery rate).

Details of reported errors relating to overpayment classification

Testing identified one rent allowance case (total value £71.11) where a prior year overpayment had been wrongly classified as an eligible error when it should have been classified as a local authority error.

Additional testing identified a further three cases (total value £171.91) where the eligible overpayment had been overstated and two cases where the overpayment was correctly classified, but had been overstated.

The effect of this error resulted in an overstatement to cell 114, current year eligible overpayments, by £193.01 (40% subsidy recovery rate) and cell 121 by £1,625.29 (40% subsidy recovery rate) with a corresponding understatement in cell 113, current year local authority error and administrative delay overpayments, of £193.01 (zero subsidy recovery rate) and cell 120, prior year local authority error and administrative delay overpayments, by £1,625.29 (zero subsidy recovery rate).

Dumfries & Galloway Council

Testing identified one case where the local authority's homeless service provided an incorrect date when reporting the date a tenant moved out.

No other instances were noted during testing and it was concluded that this was an isolated incident.

The error resulted in an overpayment of £21.69 which should have been detailed in cell 026, rent rebate local authority error and administrative delay overpayments (zero subsidy recovery rate) but was instead included in cell 028, rent rebate eligible overpayments (40% subsidy recovery rate).

Testing identified one claim (£50) which had been included as an eligible rent allowance overpayment for the prior year instead of expenditure under the rent officer arrangements for cases excluded from the requirement to refer to the rent officer. This error did not affect the subsidy claimed as the error resulted in an under claim and there is no eligibility for subsidy which has not been claimed.

Midlothian Council

Testing identified one case (total value £19.76) where an overpayment had been recorded as claimant error, when it should have been classified as a local authority error. Additional testing identified one other case (£24.08) where the overpayment had been wrongly classified as claimant error.

The errors resulted in the overstatement of £1,537 in cell 028, rent rebate eligible overpayments, (40% subsidy recovery rate) and a corresponding understatement in cell 026 rent rebate local

Details of reported errors relating to overpayment classification

authority error and administrative delay overpayments (zero subsidy recovery rate).

Testing identified one case (total value £53.54) where an overpayment had been recorded as rent allowance claimant error when it should have been classed as local authority error. Additional testing identified no further errors. The error resulted in an overstatement in cell 114, rent allowance eligible overpayments, (40% subsidy recovery rate) of £856.95 with a corresponding understatement of cell 113, local authority error and administrative delay overpayments (zero recovery rate).

North Lanarkshire Council

Testing identified one case (value £311.55) which had been incorrectly included as an overpayment in the claim form due to a housing officer incorrectly classifying it on the HB IT system. The local authority amended and rectified the claim for this error and therefore there was no effect on the amount of subsidy claimed.

Testing identified one case (value £1.96) where a change of circumstances had been processed from the incorrect date, resulting in an overpayment of HB.

Testing of an additional sample of cases identified no further errors. The extrapolation of this error resulted in an overstatement in cell 023, rent rebate expenditure attracting full subsidy, (100% subsidy recovery rate) by £505 with a corresponding understatement of cell 026, local authority error and administrative delay overpayments (zero subsidy recovery rate).

One case (value of error £1) was identified where an overpayment should have been classified as local authority error and administrative delay overpayments, and not as an eligible overpayment. Additional testing identified one further case (value £1.40) that had been incorrectly classified. The effect of these errors resulted in an overstatement in cell 114, eligible overpayments (40% subsidy recovery rate) by £289 with a corresponding understatement in cell 113, local authority error and administrative delay (zero subsidy recovery rate).

Appendix 4

Details of reported errors relating to eligible rent

North Lanarkshire Council

Testing identified one case (value £706) where benefit had been overpaid due to the local authority's failure to correctly apply an under-occupancy deduction.

Additional testing identified a further 14 cases (value £6,558) where the under-occupancy charge had not been correctly applied. This resulted in cell 023, rent rebate expenditure attracting full rate subsidy being overstated by £69,926 with a corresponding understatement in cell 026, local authority error and administrative delay overpayments.

The auditor commented on their audited body's approach to applying the size criteria rules. The auditor pointed out that the HB size criteria rules do not apply to claimants, inter alia, that fall within paragraph 4(1)(a) of Schedule 3 of the Consequential Provisions Regulations.

While the DWP recognised that it may be difficult for local authorities to ensure compliance, it was noted that local authorities should not revise awards unless they were satisfied on the basis of evidence that the claimant met the required criteria.

During 2013/14, the auditor's audited body identified all claimants where the exemption criteria applied. Unfortunately the local authority's records for HB dated back to 1 January 1998 and not 1 January 1996. On the balance of probabilities, however, this was taken to be sufficient for the exemption to be applied. This had no impact on subsidy.

Comhairle Nan Eilean Siar

Testing identified one case (value £50.91) where HB had been overpaid as the authority did not exclude contributions paid by the claimant towards TV licence costs. Additional testing of the remainder of the population identified one further case (value £30.39) where HB had been overpaid. The overall impact on the claim was that cell 023, rent rebate expenditure attracting full rate subsidy was overstated by £81 and cell 026, local authority error and administrative delay overpayments was understated by £81.

Testing identified one case where HB had been underpaid as a result of the local authority applying an incorrect rent override.

Additional testing identified a further ten cases where HB had been underpaid as a result of the authority applying an incorrect rent override. As there is no eligibility to subsidy for benefit which has not been paid, the underpayment identified did not affect subsidy.

Details of reported errors relating to eligible rent

Dumfries & Galloway Council

Testing identified one case where the claimant's rent had increased. However this information had not been updated within the HB IT system. No other such instances were noted. The error had no effect on the subsidy claim as the correct Local Housing Allowance cap of £106.13 had been applied to the claimant's benefit paid.

The Highland Council

Testing identified three cases where HB had been underpaid (total value £88.30) as a result of incorrect eligible rent figures being used in the HB calculation.

Additional testing identified one other case where benefit had been overpaid by £627. The effect of this error resulted in an overstatement in cell 098, total rent allowance expenditure at or below the rent officer's determination by £75,788 with a corresponding understatement in cell 113, local authority error and administrative delay overpayments.

Midlothian Council

Testing identified one case (total value £7.80) where benefit had been underpaid due to the wrong weekly rent being applied. Additional testing identified no other errors. As there is no eligibility to subsidy for benefit that had not been paid, the underpayment does not affect subsidy.

Appendix 5

Details of reported errors relating to IT system issues

Midlothian Council

Testing identified that the HB IT system had not reported the correct amount of benefit awarded, in some cases, resulting in an incorrect amount of subsidy being claimed. Due to the complexity of the issue, and the fact that this had only recently been identified, the auditor was not in a position to quantify the value or the number of cases affected. The software provider is currently working on a solution to correct this issue and will release a correction patch for 2014 once they have identified the cause of the software error.

Initial testing identified three cases (total value £39.76) where the local housing allowance rate was incorrect. This resulted in an underpayment of HB.

Subsequent investigation established that the error had been caused by a system parameter within the HB IT system being incorrectly set during system uprating for the start of the 2013/14 financial year. The error was not found during system testing. This resulted in 317 HB cases being affected resulting in an underpayment of benefit totalling £4,962.25. This error does not affect subsidy as the error resulted in an underpayment being made in each case and there is no eligibility for subsidy which has not been paid.

Dumfries & Galloway Council

Testing identified one underpayment in relation to the calculation of the upper and lower allowance limits within expenditure on board and lodging or non-self-contained licenses accommodation where the local authority is the landlord. This was due to the HB IT system applying the weekly cap pro-rata instead of cumulatively applying the cap for the week. Additional testing identified one further underpayment. As there is no eligibility to subsidy for benefit which has not been paid, the two underpayments identified do not affect the subsidy claimed.

It was noted that Industrial Injuries Payments made by the local authority to claimants rose 2.51% on the prior year as opposed to 2.2% as per the DWP's guidance. Further investigation showed that this error related to the whole population of claimants receiving Industrial Injuries Disablement Payments. This error does not affect subsidy claimed as the error resulted in an underpayment being made in each case.

Details of reported errors relating to IT system issues

City of Edinburgh Council

Testing identified that the HB IT system parameter for an Armed Forces Independence Payment was incorrect. The correct weekly amount should have been £134.40; however a figure of £134.30 was input to the benefit system. There is no impact on subsidy as these payments are fully disregarded for the purposes of the HB calculation.

Dundee City Council and The Scottish Borders Council

It was noted during testing in two other local authority's that the HB rates for polygamous marriages had not been entered into the HB IT system during the annual uprating exercise. No instances of such marriages were identified and, therefore, there was no effect on the subsidy claimed.

Appendix 6

Details of reported errors relating to expenditure classification

Comhairle Nan Eilean Siar

Testing identified claims recorded as rent allowance expenditure on board and lodging or non-self-contained licensed accommodation provided as temporary or short term accommodation where a registered housing association is the landlord, which should have been recorded as rent rebates where board and lodging or non-self-contained licensed accommodation provided as temporary or short term accommodation where the local authority is the landlord. However, as the authority had amended and recertified the claim for this misclassification. There is therefore no impact on subsidy claimed.

Dumfries & Galloway Council

Although the local authority had transferred its housing stock to a local housing association, testing of rent rebates identified two claims in relation to properties transferred to the housing association. These claims should have instead been recorded within the rent allowance cells which relate to accommodation on board and lodging and non-self-contained licensed accommodation where a registered housing association is the landlord.

Further testing identified that 7.8% of the total rent rebates claimed under expenditure on leased or self-contained licensed accommodation where the local authority is the landlord should have instead been claimed under rent allowances. £86,374.63 in cell 014 and £7,626.84 in cell 015 rent rebate expenditure on leased or self-contained licensed accommodation where the local authority is the landlord, was reclassified in cells 104 and 105 accommodation on board and lodging and non-self-contained licensed accommodation where a registered housing association is the landlord. The total subsidy claim is not affected as cells 014 and 104 both receive 100% subsidy and cells 015 and 105 do not receive any subsidy.

East Lothian Council

Testing identified one case (total value £961.75) where rent allowance expenditure had been misclassified between cases excluded from the requirement to refer to the rent officer, and expenditure in claims administered under local housing allowance rules.

The claim related to a two homes payment. Additional testing of two homes payment cases did not identify any other errors. There is no effect on subsidy claimed as both types of expenditure qualify for 100% subsidy.

Details of reported errors relating to expenditure classification

North Lanarkshire Council

Prior to submission of the original subsidy claim form, the local authority identified one claim which was incorrectly classified as a rent rebate instead of a rent allowance. The local authority amended this misclassification prior to the submission of the original subsidy claim with the exception of the backdated expenditure. The local authority has amended and rectified the claim in respect of this omission and therefore there is no impact on subsidy claimed.

Testing identified two cases where expenditure where the landlord is a women's' refuge had been misclassified. Expenditure was classified in cell 102, cases not requiring referral to the rent officer, instead of cells 096 to 098, cases referred to the rent officer and administered under the pre-1996 rules. The effect of this error resulted in an overstatement in cell 102 with a corresponding understatement in cells 096 to 098.

All relevant cases were identified for this landlord (value £351,074). All were found to be assessed as below or at a reasonable market rent and therefore should have been recorded in cell 098, cases referred to the rent officer and eligible rent was found to be at or below the rent officer's determination. There is no impact on subsidy as cells 102 and 098 both receive a 100% recovery rate.

Appendix 7

Details of reported errors relating to reconciliations

Clackmannanshire Council

A difference of £37,218.87 was noted between rent allowance payment summaries from the local authority's ledger system and the amount of HB claimed per the subsidy form. The difference indicated that the local authority had paid out more in the period than it had claimed. This was due to the local authority's decision to disregard income through the local scheme for war widows' and disablement pensions in excess of that disregarded by DWP. The local authority performed reconciliations between the amount of HB claimed per the HB IT system to the finance departments' figures of amounts paid. As there was only a 1.3% explainable difference in payments the local authority did not adjust the claim.

East Renfrewshire Council

In-year reconciliation highlighted a discrepancy of £316 between the HB IT system for rent rebates and rent allowances and the underlying local authority systems.

Fife Council

The local authority uses an HB IT system only used by a small number of other local authorities. The software provider had not provided instructions on the process for reconciling benefit granted, as recorded on the benefit system, to benefit paid. The authority used its own methodology to carry out the reconciliation. Overall the reconciliation showed that the HB paid was £18,638 more than benefit granted. The authority used the lower amount as the basis of its subsidy claim.

Cells 037, in year reconciliation of rent rebate expenditure and 130, in year reconciliation of rent allowance expenditure, on the subsidy claim form should agree to the entries in cells 011 total rent rebate and 094, total rent allowance expenditure respectively. Differences of £2 in rent rebate cells 011 and 037 and £2,971 in rent allowance cells 094 and 130 were noted.

North Lanarkshire Council

A difference of £1 was noted between rent allowance cells 094, total rent allowance expenditure and 130, in year reconciliation of rent allowance expenditure.

Appendix 8

Details of reported errors relating to modified schemes

City of Edinburgh Council

The analysis of modified subsidy across rent rebates and rent allowances, did not agree to the total expenditure due to the voluntary disregarding of war disablement pensions or war widows pensions. The difference of £2,442 was due to a local authority error when compiling expenditure analysis. A rent allowance adjustment for £1,221 was added in error when it should have been deducted. The figures on the subsidy claim have subsequently been updated to reflect the correct analysis and therefore there is no impact on the level of subsidy claimed.

Comhairle Nan Eilean Siar

Initial testing identified one case (£92) which had been included in the modified scheme cell in error as a result of the authority overstating the claimant's income. The effect of this error resulted in an overstatement in cell 214, total expenditure due to the voluntary disregarding of war disablement pensions or war widows pensions by £92 with a corresponding understatement of cell 102, rent allowance expenditure excluded from the requirement to refer to the rent officer resulting in an under claim of subsidy.

Perth & Kinross Council

Testing identified one case where the authority had not disregarded a pre-1973 war widow's pension when calculating the expenditure incurred as a result of the modified scheme subsidy. The value of the error was £819. This case was the only active claim which included a pre-1973 war widow's pension. It was concluded that this error was isolated and that cells 225 and 214, total expenditure due to the voluntary disregarding of war disablement pensions or war widows pensions were overstated by £819. Correspondingly cells 094 total rent allowance expenditure and 103, expenditure administered under local housing allowance rules were understated by the equivalent amount. As this resulted in an under payment of HB there is no impact on subsidy.

North Lanarkshire Council

During 2013/14 the authority upgraded its HB IT system. This created two issues:

- the war pension disregard was not recorded for those claims, within modified schemes that have not been subject to a benefit recalculation after the new system went live.

Details of reported errors relating to modified schemes

- an issue has been identified with retrospective change of circumstances on rent allowance modified schemes.

The local authority had been in discussion with the software provider and had been advised that the issue cannot be corrected via the system. There is no impact on subsidy as the local authority amended and rectified the 2013/14 subsidy claim for these issues.

Appendix 9

Details of reported errors relating to uncashed cheques

Falkirk Council

The local authority's treatment of uncashed cheques for rent allowances did not comply with the DWP's guidance. The local authority showed the adjusted figure (£10,283) in the rent allowance cells 004, subsidy claimed for rent allowances and 129S, total subsidy for rent allowances and left cells 007, reduction for prior year uncashed payments, and 179S, uncashed payments blank. This treatment does not affect subsidy but does not provide visibility of the prior year uncashed cheques element in line with other authorities for comparative purposes.

Fife Council

Cell 007, reduction for prior year uncashed payments, had been left blank in the subsidy claim. Testing identified that 33 prior year uncashed cheques to the value of £5,985.37 had been omitted. This resulted in the subsidy claim being overstated by £5,985.37.

The Highland Council

Prior year uncashed cheque payments had been excluded in cells 007, and 179S, uncashed payments for the six months to 31 March 2014 as the information was not available at the time the claim was prepared. This resulted in the subsidy claim being overstated by £5,006.