

Fraud and Error in Land & Property Services 2019-20 Accounts results in Qualified Audit Opinion from Comptroller & Auditor General

Levels of Housing Benefit fraud and error have decreased, but remain unacceptably high, according to a report by the Comptroller and Auditor General (C&AG) on the 2019-20 accounts of Land & Property Services (LPS).

The report by Mr Kieran Donnelly CB summarises the results of his audit of the LPS accounts, which have received a qualified audit opinion as a result of the levels of fraud and error in Housing Benefit expenditure.

In 2019-20, LPS administered £37 million of Housing Benefit to claimants who own their own home but who are on low income and suffering financial hardship. The levels of fraud and error, which are estimated by the Department for Communities Standards Assurance Unit, amounted to a total of £3.9 million, representing 10.6 per cent of total housing benefit expenditure. While this is a 2.5 per cent decrease compared to the 13.1 per cent recorded in 2018-19, there has been a notable increase in levels of customer fraud, which totalled £2.4 million in 2019-20 (up from £1.6 million in 2018-19).

Mr Donnelly commented:

“While I welcome the considerable efforts LPS has made to improve fraud and error rates, the increase in customer fraud by fifty percent in 2019 is concerning. The significant levels of fraud and error in LPS total Housing Benefit Expenditure remain unacceptable, and the qualification of my audit opinion reflects that.”

Other findings noted in the report include:

- In 2019-20, LPS administered £3.3 million of rate rebate which is reflected in these financial statements, for claimants in receipt of Universal Credit. LPS estimated that the amount of fraud in error within these transactions to be 7.2 per cent of LPS total rate rebate expenditure. The C&AG has noted that he will keep this matter under consideration in light of increased numbers of claimants becoming eligible for the Rate Rebate Scheme in the future. This increase is anticipated as a result of claimants due to migrate to Universal Credit from other benefit types, as well as new Universal Credit claimants, particularly due to the impact of COVID-19.
- Levels of ratepayer debt were £124.4 million at 31 March 2020 (£124.5 million in 2019). £14.5 million of debt was written off during the year, and £38.3 million was identified as impaired debt, which is unlikely to be repaid in full. However, LPS has advised that the majority of outstanding debt is due to be recovered, and the C&AG has stressed the importance of ensuring all necessary steps are taken to maximise this recovery.

ENDS

The financial statements of the Land and Property Services Trust Statement (Rate Levy Accruals Account) for the year ended 31 March 2020 are available on the [Department of Finance website](#).

Notes for Editors

1. A copy of this report is available on the Northern Ireland Audit Office website at www.niauditoffice.gov.uk.
2. The Comptroller and Auditor General is Head of the Northern Ireland Audit Office (the Audit Office). He, and the NIAO, are totally independent of Government. He certifies the accounts of Government Departments and a range of other public sector bodies. He has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and public bodies use their resources. His reports are published as Assembly papers.
3. Housing Benefit is a means tested benefit administered by LPS to people who own their homes and are on low incomes with savings and capital below the £16,000 eligibility threshold. This includes but is not limited to those in receipt of means tested benefits such as Job Seeker's Allowance/Income Support/Pension Credit/ Employment and Support Allowance.
4. From September 2017 Northern Ireland introduced a new payment for working age people who are on low income or out of work known as Universal Credit. Any working age person making a new claim for social security now claims universal credit instead. Aligned with the benefit is a new rate rebate scheme which provides rates support for tenants or home owners who are entitled to universal credit. The managed migration of all claimants commenced in 2020, with the aim to have this completed by the end of 2023.
5. As this is the first year that fraud and error have been measured in rate rebate expenditure, no prior year comparatives are available
6. Background briefing can be obtained from the Audit Office by contacting Suzanne Walsh (028 9025 1021).