



Northern Ireland Audit Office

# MEDIA RELEASE

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## **Fraud and Error in Land & Property Services 2018-19 Accounts results in Qualified Audit Opinion from Comptroller & Auditor General**

Levels of Housing Benefit fraud and error recorded in the 2018-19 accounts of Land & Property Services (LPS) continue to be unacceptably high, according to a report by the Comptroller and Auditor General, Mr Kieran Donnelly.

Mr Donnelly's report summarises the results of his audit of the LPS accounts, which received a qualified audit opinion for the ninth consecutive year as a result of the levels of fraud and error in Housing Benefit expenditure.

The total Housing Benefit administered by LPS on behalf of the Department of Finance to claimants who own their own home in 2018-19 was £38.1 million. Such claimants are eligible to apply for help with Rates if they are on low income and suffering financial hardship or are in receipt of other social security benefits, some of which act as a passport to receiving Housing Benefit for rates.

The levels of fraud and error, which are estimated by the Department for Communities Standards Assurance Unit, amounted to a total of £4.9 million (compared with £4.5 million in 2017-18), which represents 13.1 per cent of total Housing Benefit administered by LPS last year. This total comprised of £1.6 million of customer fraud, £2.9 million of overpayments to claimants due to official or customer error, and £0.4 million of underpayments to claimants as a result of official error.

Mr Donnelly commented:

*"I recognise that over a number of years LPS has made considerable improvements to fraud and error rates, but the increase in both customer and official error in 2018 is concerning. The levels of fraud and error in LPS total Housing Benefit Expenditure continue to be unacceptable, and the qualification of my audit opinion reflects that."*

The Comptroller and Auditor General also reported on the level of outstanding ratepayer debt at the year end and the amount written off in year. The debt outstanding at 31 March 2019 was £124.5 million compared to £125.8 million at 31 March 2018. The amount written off in 2018-19 was £15.9 million compared to £19.3 million in 2017-18.

Discussing the levels of ratepayer debt, Mr Donnelly said:

*"LPS has made improvements through its debt management strategy but there is still £125 million ratepayer debt outstanding which is not available for public use. LPS has pointed out this includes late rate assessments and debt that is under a payment arrangement and the majority of the debt*

*outstanding at year end is expected to be recovered. It is therefore important that all necessary steps are taken to maximise recovery.”*

Mr Donnelly’s report also notes that he has been informed by LPS of a recently discovered fraud relating to the misappropriation of refunds due on customer accounts.

Mr Donnelly commented:

*“LPS has commenced its own investigation to establish the full circumstances and the amount involved. The PSNI has been informed. I will report on the outcome in due course.”*

Land & Property Services Annual Report and Accounts 2018/19 available here: <https://www.finance-ni.gov.uk/publications/lps-annual-reports-and-accounts>

### **Notes for Editors**

1. 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.
2. 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.
3. 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. It is being rolled out across Northern Ireland on a phased geographical basis. Since December 2018 any working age person making a new claim for social security, claims universal credit instead of some of the current benefits, including housing benefit. A new rate rebate scheme will provide rates support for tenants or home owners who are entitled to universal credit. The impact of this change has been minimal in 2018-19. The managed migration of all claimants which was due to commence in July 2019 will not now commence until 2020, with the aim to have this completed by the end of 2023.
4. This report is available on the Audit Office website at [www.niauditoffice.gov.uk](http://www.niauditoffice.gov.uk).
5. Background briefing can be obtained from the Audit Office by contacting Rodney Allen (028 9025 1122) or Christine Burns (028 9025 1083).