



BDBC Internal Audit Report on the Audit of **Local Tax Billing & Administration**

Audit work undertaken October 2020 – January 2021 Report issued: February 2021

1. **Audit Opinion**

Internal Audit is able to offer Full Assurance (1) that there are adequate controls in place to ensure the integrity and operation of systems concerning local tax billing & administration processes.

(1) Full Assurance

There is a comprehensive system of internal controls in place designed to achieve the system/function/process objectives. These controls are operating effectively and are being consistently applied.

(2) Substantial Assurance

Key controls designed to achieve the system/function/process objectives are in place. There are opportunities to enhance/strengthen those controls.

(3) Reasonable Assurance

Basic controls designed to achieve the system/function/process objectives are in place. Improvements are required if key controls are to be established.

(4) Limited Assurance

Minimal controls designed to achieve the system/function/process objectives are in place. Significant improvements are required if key controls are to be established.

(5) No Assurance

No controls that achieve the system/function/ process objectives are in place.

2. **Audit Opinion History**

Year	2018/19	2019/20	2020/21
Level of Assurance	Full	Full	Full

3. Key Findings.

Control Objective 1: Appropriate governance arrangements are in place in relation to local tax billing & administration processes.

- The council has a relevant set of written procedures and work flow charts in place for the Revenues Team to follow to ensure correct processes are followed. However, the review of procedures started during the year and delayed due to covid-19 should be completed to ensure that they are up to date.
- Satisfactory risk assessments are in place for Exchequer Services that incorporate the administration and billing of local tax and now include consideration of COVID-19.
- The council has relevant collection rate targets in place for both business rates and council tax and are monitored monthly. The collection rate for business rates was largely unaffected by the Covid-19 pandemic. Collection rates for local tax are below target due to the decision to switch non-payment months from January & February to April & May to assist households during the first lockdown.
- The Revenues Team continues to have processes in place that minimise the risk of non-compliance with GDPR. However, a review of the information audit documents on Sharepoint would enhance compliance by filling gaps that exist in the information completed to date.
- Business continuity plans for core council software programmes including for the Revenue and benefits system, Civica, are well established and have been recently updated.
- System back-ups continue to be run by the IT Service as highlighted in the 2020/21 IT Critical Systems Audit.
- Revenues confirmed that there had been no significant issues in staff accessing Civica remotely during the pandemic.

Control Objective 2: The creation and maintenance of all taxable property records contain sufficient data ensure accurate and timely billing. Sufficient supporting documentary evidence is also in place to support amendments.

- Established processes are in place that enable Civica's records to be accurately reconciled with the regular reports provided by the Valuation Office Agency. This assists in ensuring accurate billing.
- There are satisfactory controls and processes in place which ensure that empty properties are inspected routinely in order to prevent properties being incorrectly awarded empty property status, thus helping to ensure the council does not lose revenue.

Control Objective 3: The refunding of local tax is adequately controlled, recorded and actioned promptly.

- The council continues to have controls in place that ensure refunds are accurately recorded and authorised by staff with the authority to do so.

Control Objective 4: Discounts and business grants are applied appropriately.

- Testing found that council tax and business rates discounts are appropriately awarded with supporting documents in place.
- Audit sample testing indicates that controls are in place that ensure the Covid19 business grants are awarded in line with established criteria, thus minimising the likelihood of fraudulent claims.

4. Management Response

Head of Financial Services 02/02/2021

This is a very pleasing outcome for the team. It is not achieved by accident but through a lot of hard work and diligence by the team. This does not mean we should be complacent and I am confident that the team will continue to deliver to the required control standards.

Exchequer Services Manager (29/01/2021)

I am delighted with the findings and detail of this audit and very pleasing to see that the outcome is full assurance. The recommendations are agreed and to be carried out within the time scales. Internal Audit carried out this audit with little distraction to the team at a very busy time but the dialogue during and at the conclusion of the report was very good.

5. Summary of Recommendations

Two Merits Attention recommendations arose during this audit.

6. Timetable

Scope of audit agreed:	Fieldwork commenced:	Fieldwork completed:	Draft report issued:	Management responses received:	Final Report Issued:
15/10/2020	16/10/2020	08/01/2021	18/01/2021	02/02/2021	03/02/2021