



BDBC Internal Audit Report on the Audit of **Local Tax Recovery & Enforcement**

Audit work undertaken October – December 2020

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 recovery & enforcement 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 recovery & enforcement processes.

- The council has a relevant and up to date Corporate Debt Management Policy and debt recovery timetable in place that outlines debt recovery processes.
- Audit testing found that satisfactory risk management assessments are in place that includes recovering outstanding local tax debt
- The council has relevant collection rate targets in place for both business rates and council tax. These are monitored monthly by Exchequer Services reported bi-annually to SMB. Although to date reporting for quarter 4 of 2019/20 and quarter 1 of 2020/21 has yet to be done.
- The council continues to have controls in place that help to ensure compliance with GDPR legislation. However, a review of the information audit documents would enhance these by ensuring any small remaining gaps are filled in.
- Business continuity plans for core council software programmes including for the Revenue and benefits system, Civica, are well established but as reported in the 2019/20 Business Continuity Audit, such plans are in need of review and update where appropriate.
- System back-up and recovery plans 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: All recovery action is in accordance with agreed procedures and all taxpayers are treated in a like manner.

- Testing found that satisfactory and relevant controls remain in place to recover outstanding council tax and business rate despite the recovery process being suspended during the early part of the Covid19 pandemic.
- Satisfactory controls continue to be in place that ensure write offs are appropriately made.

4. Management Response

Head of Financial Services (2nd February 2021)

Achieving a full assurance in an unprecedented year where collection and enforcement activity has had to be paused, adapted and carried out in a situation where many taxpayers have been subject to financial challenges of the pandemic. It is heartening to know that the team have been able to adapt but also to ensure that effective internal controls are maintained.

Exchequer Services Manager (29 January 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:
16/10/2020	17/10/2020	15/12/2020	18/12/2020	02/02/2021	03/02/2021