

Executive Summary Risk Management 2016/2017	
Assurance	Satisfactory
<p>Overview and Key Audit Findings</p> <p>This audit on Risk Management was carried out as part of the risk based audit programme planned for 2016/17 as approved by the Cotswold District Council (CDC) Audit Committee in April 2016. The audit of risk management is undertaken using a modular approach with one third of the process being examined and tested each year. The module for this review is the 'Risk Control Environment' focussing on the identification and assessment of controls, monitoring the effectiveness of controls and programming actions to manage the risks.</p> <p>Our review has examined processes used for corporate risks, service based risks, project related risks, and risks that rest with external partners or organisations that would have an adverse impact on the Council if they were to materialise.</p> <p>We can confirm that risks are identified, assessed and control activities reviewed on a regular basis by the appropriate risk manager or team in the areas covered by our review. CDC Corporate Risk Register is maintained electronically using Covalent. CDC service based risks are also maintained on Covalent and CDC project risks are documented in separate registers.</p> <p>We have identified areas of best practice, the need to ensure up to date Risk Management Policies are in place and suggested recommendations / observations which if addressed should increase the effectiveness of the overall Risk Management process.</p> <p>On the basis of our findings we can confirm that processes are in place for the areas reviewed and we are able to give a Satisfactory level of assurance.</p> <p>I am pleased that we have received a satisfactory assurance.</p> <p>Management Response</p> <p>The Risk Management Policy is being revised to take into account recent changes in processes. Minor changes to the Cotswold policy are able to be approved by the Strategic Director under delegated powers.</p> <p>The Risk Management Policy has not previously been displayed on the council's website as we have considered them to be purely internal documents. The revised version will, however, be uploaded onto the website.</p>	

Executive Summary for Council Tax, National Non-Domestic Rates (NNDR), Council Tax Reduction Scheme (CTRS) 2016/2017

Assurance

**Council Tax – Good
NNDR – Good
CTRS – Good**

Overview and Key Audit Findings

Council Tax and National Non-Domestic Rates

This audit was carried out as part of the core audit programme planned for 2016/2017 as approved by CDC's Audit Committee. The audit of the Council Tax and NNDR systems is carried out over a three year period; 2016/2017 is year two of this cycle.

Both reviews this year concentrated on the controls operating within the liability and billing process with a particular focus on the management of Council Tax summonses.

We also examined Quality Assurance processes and checked whether key system controls were operating effectively.

In addition, we checked whether the recommendation arising from our 2015/16 audit had been implemented. This related to reconciling Agresso income and Northgate data.

Our testing of the Council Tax and NNDR systems was conducted on a sample basis covering the period April to December 2016. All audit queries were satisfactorily answered; there were no unresolved issues arising from our testing of liability and billing processes.

We were informed that there is no formal system of quality control, but that any new members to the team would have their work checked by their training officer. It has been recognised that control needs to be enhanced and so a new post for Quality Assurance is being introduced.

Our review of six key system controls relating to both Council Tax and NNDR systems showed that one regarding reconciliation of the gross Council Tax debit to the number of properties was not in place, however reasonableness checks are completed at annual billing stage. With regard to all other key controls, sufficient responses and evidence provided assurance that these are operating adequately. We can also confirm the recommendation from our 2015/16 review has been implemented.

In addition we verified that:

- The Council Tax Base used in the calculation of 2016/2017 Council Tax levels (property bands) was the same figure that was submitted to central government in the 2015 return.
- Precept payments made to the precepting Authorities were in line with precepts levied.
- The Council had submitted the 2016/2017 Form NNDR1 to the government and that this had been signed by the Council's Section 151 Officer on 29th January 2016.

Based on the work completed we can confirm that sound processes are operating in the areas reviewed within the Council Tax and NNDR systems. We are able to offer a 'Good' level of assurance for both systems.

Council Tax Reduction Scheme

This audit was carried out as part of the core audit programme planned for 2016/2017 as approved by CDC's Audit Committee.

The recent Housing Benefit audit reviewed the operation of key controls and the management of

Housing Benefit Overpayments. Therefore this review is focussed on the application of the Council Tax Support Scheme.

Our review has examined the effectiveness of internal controls in place for the Council Tax Reduction Scheme (CTRS) in the below areas:

- Scheme approval
- Application process
- CTRS entitlement
- Counter fraud / Compliance arrangements
- Procedures
- Performance monitoring

Overall we can confirm that systems and controls in place are operating well with a few areas for improvement.

Council minutes were seen to confirm approval of the 2014/2015 scheme prior to its introduction. However, subsequent reviews for the 2015/16 and 2016/17 schemes did not take place as there had not been any change. Cabinet minutes show the 2017/18 CTRS has been approved.

From our testing we can confirm that CTRS entitlement, the application process and internal procedures are operating well. We also found that Counter fraud arrangements are in place and our review produced satisfactory results.

On the basis of our findings we can confirm that and we are able to give a 'Good' level of assurance at this current time.

Executive Summary for NNDR Reliefs 2016/2017

Assurance

Good

Overview and Key Audit Findings

We initially established by discussion how the system operates and the controls in place. We selected samples of properties in the categories listed below in order to test compliance with rate relief criteria as set out in the CDC Revenues and Benefits Service Rate Relief Policy. The sample was taken from the current list of properties receiving NNDR reliefs in July 2016.

- Small Business Rate Relief
- Rural Rate Relief – Post office or general store
- Rural Rate Relief – Public houses and petrol filling stations
- Discretionary Relief
- Non-Profit Making Bodies - Community Amateur Sports Clubs (CASCs)
- Mandatory Charitable Relief
- Non-Profit Making Bodies – Schools
- Unoccupied properties

Discretionary reliefs are in practice authorised by the relevant Cabinet Member (currently the Council's Leader), but this delegated power was not made specific in the Constitution. We have recommended that when the Constitution is next reviewed, this delegation of authority to the relevant Cabinet Member to grant discretionary rate relief should be made explicit.

We were only able to verify the authorisation of one discretionary relief from our sample of six cases (17%) to minuted decisions.

We were not able to obtain evidence to show that four unoccupied properties out of our sample of six (67%) had been visited.

In all other cases in our samples we were able to verify that reliefs had been correctly applied.

There is a risk that the Council may not be aware of the sub-letting of part of a property to a commercial organisation, where a charity is gaining mandatory relief on the whole of that property, since officers are reliant upon the occupier informing them of any such sub-let. Council officers are aware of this risk and are prepared to accept it.

In the light of our findings we are able to give a Good level of assurance.

Management Response

Thank you to our colleagues in Audit for completing their audit with minimum disruption to the Service. I have read the report and assurance has been given for the recommendation to be addressed by the Head of Democratic Services*.

* Decisions are made in accordance with the Rate Relief Policy document (the most recent version of which was approved by Cabinet in November 2012). Delegations fall to the relevant Cabinet Member, currently the Leader of the Council. The updated version of the Constitution, currently being finalised, reflects this arrangement.