

Report to Audit Committee

7 July 2021

By the Director of Corporate Resources

INFORMATION REPORT



Not Exempt

Internal Audit reviews of Revenues and Benefits 2020/21

Executive Summary

This report tells Councillors the outcome of the internal audit reports of Revenues and Benefits completed by Milton Keynes' internal audit as part of the agreement in which some Northamptonshire-based Council's provide Horsham District Council's Revenues and Benefits service. All three audits, completed in the fourth quarter of 2020/21, achieved good assurance for the control environment. The Benefits audit showed substantial assurance for compliance and the two Revenues audits good assurance for compliance.

Recommendations

The Committee is recommended to:

- Note the report and consider any further action required in response to the issues raised.

Reasons for Recommendations

- i) To comply with the requirements set out in the Public Sector Internal Audit Standards 2013 (amended April 2017).
- ii) The Audit Committee is responsible for reviewing the effectiveness of the Council's systems of internal control.

Background Papers

None

Wards affected: all

Contact: Jane Eaton, Director of Corporate Resources, 01403 213500

Background Information

1 Introduction and Background

- 1.1 The Northamptonshire based local authority partnership, originally called LGSS, started providing Horsham District Council's Revenues and Benefits service in April 2018. This service includes the internal audit of these services.
- 1.2 Milton Keynes internal audit completed the audits of Council Tax, Housing Benefits and Business Rates during the fourth quarter of 2020/21.
- 1.3 Milton Keynes internal audit gave their opinion of the adequacy of the system and the compliance of the service with the system.

2 Relevant Council policy

- 2.1 Strong internal control supports Corporate Plan key success criteria 5.3 "The Council continues to provide the quality, value for money services that people need throughout the 2020s."

3 Details

- 3.1 Milton Keynes internal audit finalised all three of the Revenues and Benefit audits during quarter one of 2020/21. The Business Rates Audit received satisfactory assurance for the control environment and good assurance for compliance. The Council Tax audit received good assurance for the control environment and satisfactory assurance for compliance. The Benefits audit received good assurance for the control environment and substantial for compliance. Key audit findings from final reports are summarised in Appendix A.

4 Next Steps

- 4.1 The Council's operational manager for Revenues and Benefits will implement the agreed actions arising from the audits within the timescale set.

5 Views of the Policy Development Advisory Group and Outcome of Consultations

- 5.1 Milton Keynes' Internal Audit consulted Horsham District's Head of Revenues and Benefits, the Operations Manager for and LGSS's specialist officers at the start and throughout the review, including discussion and agreement of recommendations. The Director of Corporate Resources agreed the outline, draft and final reports..

6 Other Courses of Action Considered but Rejected

- 6.1 Not applicable

7 Resource Consequences

- 7.1 Horsham District Council pays for these audits as part of its fee to Milton Keynes for the Revenues and Benefits service. There are no resource consequences arising from this report.

8 Legal Considerations and Implications

- 8.1 There are no legal consequences arising from this report because it is for information.

9 Risk Assessment

- 9.1 Milton Keynes' internal audit use a risk based approach when carrying out their audit and in evaluating the importance of their finding and recommendations.

10 Procurement implications

- 10.1 There are no procurement implications arising from this report because it is for information.

11. Equalities and Human Rights implications / Public Sector Equality Duty

- 11.1 There are no human rights or equality implications arising from this report because it is for information.

12 Environmental Implications

- 12.1 There are no environmental implications arising from this audit because it is for information.

13 Other Considerations

- 13.1 There are no other implications arising from this audit because it is for information.

Summary of the main findings from the audits completed by LGSS internal audit in quarter four

Council Tax Audit

Based on the completion of their fieldwork Milton Keynes' internal audit gave good assurance for the control environment covering Council Tax and good assurance for compliance.

The auditor concluded the team bill residents accurately and on time. However there was a concern that staff who did not need to change Council Tax bandings could do so. There was no evidence this weakness had been exploited. There was also concern the quality assurance work had been patchy during lockdown.

Benefits Audit

Based on the completion of our fieldwork Milton Keynes' internal audit gave a good assurance opinion for the control environment covering the management of Benefits and substantial assurance for compliance.

The main recommendation arising from the audit concerns a reconciliation between the Benefits system and the Housing system since the introduction of Housing's new system in March 2020.

Business Rates audit

Based on the completion of their fieldwork Milton Keynes' internal audit gave good assurance for the control environment covering business rates and good assurance for compliance.

In general the service was working well but the auditors recommended some more work on quality assurance in a similar way to that undertaken in Council Tax and Benefits.