

Report to Audit Committee

12 July 2023

By the Director of Resources

INFORMATION REPORT



**Horsham
District
Council**

Not Exempt

Internal Audit reviews of Revenues and Benefits 2022/23

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 Milton Keynes Council provides Horsham District Council's Revenues and Benefits service. The audits were completed at the end of 2022/23.

- Council tax and Benefits achieved good assurance for control environment and compliance.
- Business Rates achieved satisfactory assurance for control environment and compliance.
- In all cases the organisational impact of findings were minor because the weaknesses identified during the review have left the Council open to low risk.

Recommendations

The Committee is recommended to:

- i) 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

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Background Information

1 Introduction and background

- 1.1 Milton Keynes, through the local authority partnership, now provides Horsham District Council's Revenues and Benefits service. 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 2022/23.
- 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 at the end of 2022/23.

Audited Area	Control Environment	Compliance	Impact
Council tax	Good	Good	Minor
Business Rates	Satisfactory	Satisfactory	Minor
Benefits	Good	Good	Minor

- 3.2 Key audit findings from the 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 Outcome of consultations

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

6 Other courses of action considered but rejected

- 6.1 None.

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 audits and in evaluating the importance of their findings 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 considerations or implications, especially in relation to GDPR/Data Protection; Crime & Disorder from this audit, because it is for information.

Summary of the main findings from the audits completed by Milton Keynes' internal Audit

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 recommended four areas of improvement:

- further work could be undertaken by the Team Leader to carry out checks of lists maintained by the Inspector ensuring that reporting to the Valuation Office is complete.
- consider using the system access and job roles functionality in Academy to further restrict system access to job roles.
- include processes that allow for more refund transactions to be checked.
- progress recovery action with those cases that are with the new Enforcement Agency.

Business Rates audit

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

The auditors recommended four areas of improvement:

- ensure the Quality Assurance performance framework is completed and agreed / implemented.
- any future decision to suspend debt recovery should be formally documented.
- ensure the suspense account on Academy is cleared of outstanding transactions.
- ensure that a data analytics & business intelligence solution is implemented to ensure Small Business Rate Reliefs are reviewed on a regular basis.

Benefits audit

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

The auditors recommended improvements to recording the quality assurance processes that have been undertaken, with more detailed supporting notes of what has actually been checked which may help future scrutiny and error identification.

Work has commenced to implement all the actions listed above with a target date of 30 September 2023.