



Comprehensive Assurance	Substantial Assurance	Limited Assurance	Minimal Assurance
<ul style="list-style-type: none"> • Housing Benefit Payments • Council Tax • NNDR 			<ul style="list-style-type: none"> • The Control Environment for Visiting Officers

Guide to the audit assurance opinions		Recommendation Criteria	
Comprehensive	There is a sound system of controls designed to meet objectives, manage risks and controls are consistently applied in all the areas reviewed.	High	There is a control vulnerability that could result in failure to achieve corporate objectives, reputational damage, lead to material loss, exposure to serious fraud or failure to meet legal or statutory requirements. This includes material non-compliance with the Constitution, Financial Regulations or Council policies and procedures. Managers should address high priority recommendations urgently to rectify the situation.
Substantial	There is a good system of controls and risks are managed. However, there are opportunities for improvement in the design or consistency of application that will assist in the achievement of objectives identified as being at risk in the areas reviewed.	Medium	The system or procedure lacks adequate control that could result in failure to achieve operational objectives, non-material loss, or non-compliance with departmental operational or financial procedures. This would also include minor non-compliance with Financial Regulations. Although not fundamental to system integrity these risks should be addressed promptly as the next priority.
Limited	Key controls exist to help achieve objectives and manage principle risks. However, there are opportunities for improvement in the overall control environment which would enhance the design and application of controls, thereby assisting the achievement of objectives identified as being at risk in the areas reviewed.	Low	To implement this would be good practice to improve or enhance the system and the achievement of objectives. Several low risks in combination may give rise to concern.
Minimal	The absence of basic key controls or the inconsistent application of key controls is so severe that the audit area is open to abuse or error. Risks to objectives are not being managed.		

Scope and Objective

Internal audits mission is to enhance and protect organisational value and support the Council Plan by providing risk based and objective assurance, advice and insight.

The Assurance, Risk and Audit Team endeavour to add value and improve Allerdale Borough Council's operations and help to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

As part of the 2019/20 Assurance Risk and Audit Plan, a review has been undertaken of the controls and procedures in place in respect of Revenue and Benefits. The aim of this review is to provide management with assurance that controls, governance and risk management activities are robust and operating as intended, that mitigating actions are in place to manage the key corporate risks for this area as recorded by the risk owner and provide recommendations for improvements to add value, if appropriate.

Information and evidence was gathered using a number of techniques including transactional testing, observations and questionnaires.

As audit work is controlled by the areas identified in the audit scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

Assurance Risk and Audit would like to thank all staff involved during the course of the review for their help and assistance.

Areas of good practice:

The Revenues and Benefits staff demonstrated excellent technical knowledge in their respective areas of expertise.

Recommendations		
High	Medium	Low
4	5	0

Area(s) for improvement
2 areas for improvement were suggested.

Assurance Area	Risks/Weaknesses	Action plans/Recommendations
<p>Housing Benefits Payments</p> <p>Audit Opinion: Comprehensive</p>	<p>There are a number of workflow patterns, controls and processes established which provide assurance in respect of the Housing Benefit pay run.</p> <p>Observations of the weekly Housing Benefit payment run on 4th of December 2019 demonstrated that the prescribed procedures had been followed and that the appropriate controls were in place. Testing identified that all samples of individual payments above threshold limits had been processed in line with organisational procedures.</p> <p>Testing undertaken of failed returned payments confirmed in all cases that they were administered in a correct and timely manner and processed accurately through the relevant finance systems.</p> <p>Bank reconciliations to reconcile the bank account to the General Ledger (GL) and additional reconciliations of Council Tax and NNDR are completed on a monthly basis and noted on the Monthly Certification Form which is monitored by the Financial Services Manager, this was not re-performed for this review due to it being considered low risk. Comprehensive assurance has been provided in previous reviews and substantive evidence was provided to show the reconciliation had been completed accurately.</p>	
<p>Council Tax</p>	<p>There is an established and comprehensive set of controls in place for the annual billing cycle ensuring</p>	<p>Agreed Action 1, Priority High</p>

<p>Audit Opinion: Comprehensive</p>	<p>that accurate council tax bills are sent to domestic properties in the borough within the statutory timescales. Testing and discussions with key officers confirmed that the correct procedures had been applied, resulting in true records in Academy with accurate bills issued in a timely manner to Council Tax payers.</p> <p>Of the twelve samples selected, testing confirmed that the weekly valuation schedules received from the Valuation Office Agency (VOA) were reviewed promptly by experienced officers to ensure that records held in Academy were accurate and that the bills issued for that period were correct. Testing and discussions with officers confirmed that weekly reconciliations are performed between the VOA Statement of Numbers and Bands and Academy ensuring that bills are issued to all liable dwellings and the Council maximises its revenue from Council Tax.</p> <p>Details of the available exemptions and discounts for Council Tax relief are published on the Council's website. Testing demonstrated that exemptions and discounts had been appropriately applied and in accordance with organisational procedures. The National Fraud Initiative data matching report is issued every January and officers review and action every case reported. The Council currently has the declarations and warnings section at the end of the online exemptions and discounts application form, however the Chartered Institute of Public Finance & Accountancy (CIPFA) recommend that moving these</p>	<p>Responsibility: Deputy Manager Customer Accounts – 30 December 2020</p> <p>Officers should liaise with Legal Services and the Information Governance and Data Protection Officer prior to commencing the procurement process for printing services where personal information is processed to ensure compliance with the General Data Protection Regulations and Data Protection Act 2018.</p> <p>Area of Improvement 1</p> <p>Consideration should be given to moving the declarations and warnings section to the start of any application for exemptions and discounts for Council Tax relief.</p> <p>Agreed Action 2, Priority Medium, Responsibility: Deputy Manager Customer Accounts – 30 September 2020</p> <p>The Officer approving the Payment Production Report (ct6370a) should not process any refunds, clear segregation of duties should be in place at all times.</p>
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to the start can support a reduction in the number of false declarations.

Refunds are reviewed and authorised weekly by appropriate officers and through testing and observation it was confirmed that overpaid council tax is refunded promptly and in accordance with organisational procedures and Financial Regulations. It was noted that the Systems and Support Officer runs the refunds authorisation report for review by the Customer Accounts Team Leader (CATL). The workflows and permissions within Academy prevent an officer authorising a refund they have processed; where the CATL has processed a refund the Deputy Manager countersigns the refund. To support the integrity of the authorisation controls it would be best practice for the CATL to avoid processing refunds. Sample testing confirmed that income and refund balances in Academy are accurately recorded in General Ledger and that the Academy suspense account is reviewed on a regular basis.

The Council promptly identifies all accounts where the amount due is not received and there are comprehensive procedural guidelines outlining the recovery and enforcement procedures. Testing confirmed that for each outstanding debt, recovery action is taken in a prompt, consistent manner in accordance with the recovery timetable and current legislation.

<p>NNDR - Nation Non-Domestic Rates</p> <p>Audit Opinion: Comprehensive</p>	<p>There are a combination of systems and human controls to ensure that all liable hereditaments are identified and reported for inclusion on the VOA rating list and that all NNDR revenue due to the Council is billed in a timely and accurate manner. Observation and testing confirmed that Academy is updated promptly with the entries recorded on VOA Schedule of Alterations and that that the NNDR base is updated in accordance with the central government notification.</p> <p>It was demonstrated through testing that the correct rateable value and multipliers were applied and accurate bills issued. The rateable value and number of hereditaments on the VOA schedule are reconciled weekly, confirming the veracity and completeness of Academy.</p> <p>There is a detailed timetable for the annual billing cycle and testing confirmed that there are robust key controls in place to ensure that accurate bills are issued in a timely manner to assist in the prompt collection of NNDR income.</p> <p>Sample testing of exemption relief confirmed that in all six cases selected, the accounts were updated promptly and that the correct relief or discount had been applied in accordance with organisational procedures.</p>	
<p>The Control Environment of Visiting Officers</p>	<p>There is an up to date Lone Working Policy held on the Intranet but this has not been read by both Visiting Officers (VO).</p>	<p>Agreed Action 3, Priority High, Responsibility: COMPLETED</p>

<p>Audit Opinion: Minimal</p>	<p>The latest Health and Safety Risk Assessment was carried out in 2008 and is not sufficiently detailed to provide assurance that there are adequate measures in place to minimise any hazards and/or risks to VO.</p> <p>There are insufficient control measures currently in place to manage the Visiting Officer operations and although there are some safety procedures established, not all are being followed. VO are not provided with lone worker safety devices, which would provide a quick and discreet way to alert that assistance is required; VO Outlook diaries are incomplete.</p> <p>Revenues and Housing Benefits Administration Register of Interests have been satisfactorily completed by both VO and an electronic copy has been securely stored.</p> <p>It has not been possible to confirm the efficiencies of VO due to the current disjointed working practices and the limitations of Total Mobile. There are few basic control measures in place with workloads recorded in a number of different applications. Performance and productivity would be hard to measure without this information.</p> <p>Whilst travel claims are compared to Outlook diaries, there was insufficient information to validate the travel claims on two of the three sample days selected. A review of the mileage claims for the proceeding twelve months identified that both VO travelled over</p>	<p>All Visiting Officers must read the Lone Working Policy and follow the procedures.</p> <p>Response – The Lone Working Policy has been read by both Visiting Officers.</p> <p>Agreed Action 4, Priority High, Responsibility: Deputy Manager Customer Services – 30 June 2020</p> <p>An up to date risk assessment should be carried out to identify potential hazards and/or risks in relation to Visiting Officer operations. Where hazards and/or risks have been identified then a safety statement must be completed and communicated documenting how the risks have been mitigated.</p> <p>Agreed Action 5, Priority High, Responsibility: Deputy Manager Customer Services – 30 June 2020</p> <p>Lone worker safety devices should be procured to safeguard the Visiting Officer in keeping with the safe lone working practices adopted corporately.</p> <p>Area of Improvement 2</p> <p>The “Update with Office” procedural guide should be updated to include all contact telephone numbers for visiting officers and practices should be reviewed in line with the updated risk assessment and safety statement.</p>
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9,500 miles each at a cost to the Council of over £11,200.

Discussions identified that not all VO consistently follow the most efficient ways of working in the use of digital documents. Maintaining unnecessary paper records may have a significant impact on the Council's ability to manage information and remain GDPR compliant with the consequences of failing to do so being significant. VO should, wherever possible, have working practices in line with the corporate smarter ways of working.

Agreed Action 6, Priority Medium, Responsibility: Customer Operations Manager – 30 September 2020

An evaluation should be undertaken to streamline the current Visiting Officer work processes which should include a process for accurate recording of visits which will support the Councils statutory duty for the health, safety and welfare of employees whilst at work.

Agreed Action 7, Priority Medium, Responsibility: Customer Operations Manager – 30 September 2020

It is recognised that there are plans for a re-organisation of the business and it is recommended that a service-level review is undertaken into how Visiting Officers are managed. The findings of the review should be included as part of the business change consultation.

Agreed Action 8, Priority Medium, Responsibility: Deputy Manager Customer Services – 30 September 2020

An appraisal should be undertaken to ensure that the most cost effective, efficient, environmentally friendly and reliable transport options are used for Visiting Officer operations in accordance with the Fleet and Transport Vehicle Policy.

		<p>Agreed Action 9, Priority Medium, Responsibility: Deputy Manager Customer Services – 30 September 2020</p> <p>Visiting Officers should record all visits and information concerning them electronically. Where organisational practices require the use of paper documents, they must be stored in accordance with corporate information management guidance.</p>
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