



Internal Audit Report

Final

CORPORATE SERVICES DEPARTMENT

Review of Non-Domestic Rates

August 2009

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1 INTRODUCTION

This report has been prepared as a result of the Internal Audit review of Non-Domestic Rates as part of the 2009/10 Internal Audit programme.

Non - Domestic Rates (NDR) are charged on commercial properties based on a rateable value fixed by the Assessor (Dunbartonshire and Argyll & Bute Valuation Joint Board). In certain circumstances, reliefs are available for charitable organisations, disabled persons, empty properties, rural properties and small businesses.

Direct Debit is the Council's preferred method of payment for Non- Domestic Rates and may be paid in instalments. Payments can also be made by post, at any Post Office and at Council offices. Payment by debit/credit card can be arranged by telephone or via the internet.

2 AUDIT SCOPE AND OBJECTIVES

The scope of this review is limited to the Internal Control Questionnaire (ICQ) issued to the Revenues and Benefits Manager for completion.

The broad objectives were to review the following areas using CIPFA SBA control matrices for Non Domestic Rates. This will ensure that procedures and processes are in place through sampling and walk through testing in the following areas.

- **Sheriff Officer Holds**
- **Performance**
- **Income Collection**
- **Credits and refunds**
- **Checks and reconciliation**

3 RISK ASSESSMENT

As part of the audit process and in conjunction with our Systems Based Auditing, ICQ approach, the Risk Register was reviewed to identify any areas that needed to be included within the audit.

There were no areas found on the Risk Register to be included within the audit.

4 CORPORATE GOVERNANCE

There are no Corporate Governance issues to be reported as a result of this audit.

5 MAIN FINDINGS

There were no significant findings resulting from the walk through tests and many sample tests, which were completed during the course of the audit. The Non Domestic Rate resource team continue to provide a well controlled service, however 1 minor finding has been generated and a recommendation made to further enhance controls and the operational efficiency of the service.

The main findings resulting from this audit are as follows:

- All sample and walk through testing were deemed by the auditor to have satisfactory evidence.
- Sheriff Officer Hold's recovery reports were not being adequately documented by management.

6 RECOMMENDATIONS

The audit generated 1 recommendation that has been agreed with management. This is detailed in the Action Plan set out below in Appendix 2.

7 AUDIT OPINION

Internal Audit is satisfied that the NDR section has answered the ICQ in an appropriate manner.

Based on audit findings we can conclude that Non-Domestic Rates staff were able to provide evidence of their adherence to current controls. That in both sampling and walk through tests 1 minor matter was identified and this has been discussed with management.

Recommendations arising from the audit work should be implemented by the nominated responsible officer within the agreed timescale. Recommendations not implemented will require explanation to the Audit Committee. This could lead to findings being reported in the Internal Control Statement produced by the Council in support of the Annual Accounts.

8 ACKNOWLEDGEMENTS

Thanks are due to the Non Domestic Rates Supervisor and her team for their co-operation and assistance during the Audit and the preparation of the report and action plan.

Argyll and Bute Council's Internal Audit section has prepared this report. Our work was limited to the objectives in Section 2. We cannot be held responsible or liable if information material to our task was withheld or concealed from us, or misrepresented to us.

This report is private and confidential for the Council's information only and is solely for use in the provision of an internal audit service to the Council. The report is not to be copied, quoted or referred to, in whole or in part, without prior written consent.

APPENDIX 2 ACTION PLAN

| No. | FINDINGS | PRIORITY | RECOMMENDATION | RESPONSIBLE OFFICER | IMPLEMENTATION DATE |
|------------|--|-----------------|---|-------------------------------|----------------------------|
| 1 | Reviews of the Sheriff officer holds recovery reports were not being adequately documented | LOW | The debt recovery staff should sign the suppression recovery reports before filing them. | NDR Arrears Supervisor | 28 July 2009 |