

Appendix One

Audits

Audit: Council Tax Reduction Scheme 2023/24

Introduction: Council tax reduction is calculated based on an individual's circumstances and is credited directly to a claimant's council tax account. The council tax reduction scheme is a way of reducing the amount of council tax someone must pay if they are on a low income. The amount of any reduction is based on a means test, taking individual circumstances into account.

There are different rules depending on whether you are classed as a pensioner or working age.

In addition to this scheme, for 2023-24 the government provided £100 million of new grant funding for local authorities to support economically vulnerable households in their area with Council Tax payments. The government expects local authorities to use the majority of their funding allocations to reduce bills for current working age and pension age Council Tax Reduction recipients by up to an additional £25. Tewkesbury Borough Council was allocated £125,264.

The discount applies to current Council Tax Reduction recipients that have an outstanding Council Tax liability for the 2023-24 financial year.

This audit will provide assurance that claims are supported with appropriate documentary evidence and the correct discount has been applied.

Risk identified:	Level of Control:	Overall opinion:	Recommendations:
<p>Legislative and Policy Compliance</p> <p>LPC1: The council's Council Tax Reduction Scheme policy is not current, leading to incorrect calculations and discounts being applied.</p> <p>LPC2: Procedure notes and regular</p>	<p>Substantial</p>	<p>A review of the council's current Council Tax Reduction Scheme confirmed that this is up to date and that the minor amendments made to the original Default Scheme, first adopted in 2013 when Council Tax Reduction replaced Council Tax Benefit, have been approved by Executive Committee. For the 2023/24 reduction scheme, this approval was obtained on 16 November 2022.</p> <p>The audit also confirmed that the council's website contains all relevant information in relation to the current Council Tax Reduction Scheme; including how to claim the reduction and the associated eligibility criteria.</p> <p>Furthermore, a review of supporting documentation provided assurance that detailed procedure notes on how to apply the scheme are in place, these were found to be current and available to all appropriate staff. A process is in place whereby any updates or legislative changes are circulated to members of the team who are required to respond to confirm that they have read and understood the guidance.</p> <p>Verbal assurance was obtained to confirm that all staff received appropriate training when the</p>	<p>None required.</p>

<p>staff training are not in place which may lead to errors in administering the Scheme.</p>		<p>scheme was first adopted in 2013 and more recently, following the appointment of the Benefit Training Officer, a comprehensive training programme has been introduced. This was evidenced during the audit and records provided to support this, this included a detailed training plan for any new starters, with time set aside for formal training and support.</p>	
<p>Economic and Financial</p> <p>EF1: Awards under the Council Tax Reduction Scheme are not supported with appropriate documentary evidence, have been calculated inaccurately or input incorrectly to the council tax system.</p>	<p>Substantial</p>	<p>A review of the parameters set within NEC, the system used to administer Council Tax, provided assurance that the values in respect of the Council Tax Reduction Scheme have been accurately input for the financial year 2023/24, in accordance with the Department of Work and Pension's uprating circulars. These are guidance notes for all Benefits staff, issued by the Department for Work and Pensions as required, and which provide information relating to changes to the rates of Housing Benefit.</p> <p>A robust and documented process was found to be in place whereby each individual parameter is input by the System Administrator, followed by an independent check and sign off by the Team Leader.</p> <p>During the audit, a sample of 20 accounts where council tax reduction had been claimed were reviewed. This confirmed that in all cases there was sufficient evidence to confirm the identity of the claimant and appropriate supporting evidence had been provided, in accordance with the requirements of the scheme. The majority of claimants in the sample, which was selected randomly, were also in receipt of Universal Credit, administered by the Department of Work and Pensions, who undertake the identify checks, of which the Council is able to rely upon.</p> <p>Based upon the system parameters being accurate and all relevant evidence having been submitted to support claims, there is assurance that claims are calculated accurately. In addition, the calculations for two claims were reperformed during the audit, which confirmed that the value of Council Tax reduction was correct.</p> <p>The audit also reviewed a sample of 10 Council Tax Reduction claimants who also received a further reduction of up to £25 as a result of the additional grant funding provided by central government in 2023/24. We have confirmed that in all cases the eligibility criteria for a further reduction was met.</p> <p>All of the funding, totalling £125,264 has been allocated.</p>	<p>None required.</p>
<p>Technical:</p> <p>T1: Access to the Council Tax</p>	<p>Substantial</p>	<p>Access permissions to the NEC system were reviewed during the audit to confirm that officers are only provided with update access where this is required as part of their day-to-day responsibilities. A review of a current user report provided assurance that the access levels of officers is appropriate.</p>	<p>None required.</p>

system is not appropriately controlled, leading to erroneous or inappropriate application of the scheme.		The review did identify four officers listed as users of the NEC system that have since left the council. This access was revoked immediately upon discussion with the Head of Revenues and Benefits. It is however acknowledged that their access to the council's network had been revoked, leaving them unable to access council systems and therefore mitigating the risk of access to confidential information. A reminder will be sent to all Heads of Service to remind them that they should keep the Revenues and Benefits section informed when a member of their staff leaves the council.	
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Audit: Recycling Credits 2023/24

Introduction: The Council receives recycling credits as an incentive to divert as much waste away from landfill as possible, under the terms of an agreement for the processing, sorting and sale of co-mingled dry recycling material with Casepak. This equates to an approximate annual income of £600,000.

Additionally, the Council receives a fixed contribution of £50,000 annually from Gloucestershire County Council under a Residual Waste Reduction Incentive agreement. Under this agreement, the Council may also receive a flexible performance related contribution of up to a further £50,000, based upon the amount of residual waste the Council collects. This will be included in the scope of this audit.

The audit will look to obtain assurance that a Material Recovery Facility (MRF) contract is in place, the service is monitored appropriately, and expenditure and income are accurate.

Risk identified:	Level of Control:	Overall opinion:	Recommendations:
<p>Operational</p> <p>O1: Contracts are not in place, leading to key deliverables not being adequately formalised and the ability to undertake adequate contract monitoring reduced.</p> <p>O2: The contract</p>	Substantial	<p>The audit confirmed that an appropriate contract is in place with a company called Casepak, for the haulage, processing, sorting and sale of co-mingled dry recycling materials. This existing contract, duly signed and dated by both parties, is due to expire on 28 March 2024. During the audit it was confirmed that this has been extended for one further year, as per the terms of the contract.</p> <p>The key performance data, as detailed in the contract, was found to be provided in the form of monthly summary reports. A sample of two monthly reports were reviewed during the audit. This confirmed that the information provided was in accordance with the contract requirements and assurance was obtained that the data is regularly reviewed by management. Furthermore, the information provided via this contract monitoring is sufficient to enable the council to meet its waste data flow reporting obligations and to demonstrate that waste is managed in accordance with the waste hierarchy.</p> <p>During the audit it was also confirmed that a current and signed agreement is in place with</p>	None required.

<p>fails to set out how performance of the contractor will be monitored, leading to poor contract management and performance issues not being identified and rectified.</p>		<p>Gloucestershire County Council (GCC), this is in respect of the Residual Waste Reduction Incentive. These are the annual contributions received from GCC based upon the amount of residual waste the council collects. The fixed contributions and flexible performance contributions made under this agreement are reviewed in EF1 below.</p> <p>Due to the nature of this agreement with GCC, whereby payments are made to the council where specified conditions are met, it is not applicable for the council to carry out performance monitoring.</p>	
<p>Economic and Financial</p> <p>EF1: The calculation of income and expenditure is not defined in the contract leading to inadequate budget monitoring, over payment of invoices and loss of income.</p>	<p>Reasonable</p>	<p>The council's contract with Casepak clearly sets out how income and expenditure is to be calculated.</p> <p>Payments made by the council to Casepak are based upon how much waste is recycled. During the audit, a sample of two monthly invoices were reviewed and the net gate calculation reperformed as set out in the contract. In both cases the correct amounts had been charged. There is a provision in the contract for the Council to review calibration records, which will provide assurance that the weighbridge figures are accurate, although this is not currently being done. [R1].</p> <p>Payments received by the council from Casepak are based upon the net processing rates set out in the contract. Therefore, a sample of recycling credit income for two months was reviewed during the audit. This confirmed that the correct process for claiming the credits had been followed and the correct values have been received.</p> <p>In respect of the Residual Waste Reduction Incentive, the agreement stipulates that a fixed annual contribution of £50,000 is to be paid to the council, payable in four equal quarterly instalments. In addition to this, the agreement details how the flexible, incentive-based payments are to be calculated, subject to meeting the agreed waste reduction targets. These payments are up to a maximum of an additional £50,000 per annum.</p> <p>During the audit a quarterly receipt received from GCC was reviewed. This identified that one figure is provided and does not break down the fixed and incentive elements of this income in a way that allows officers to verify that the correct values have been received. A recommendation has therefore been made in this respect [R2].</p> <p>As at the time of the audit, a total of £62,650 has been received in respect of incentive payments to December 2023 from GCC for 2023/24. Given that the maximum value that can</p>	<p>Recommendation 1</p> <p><u>Recommendation priority:</u> Low</p> <p><u>Recommendation Details:</u> The responsible officer should request copies of weighbridge calibration records to obtain assurance that the weighbridge figures are accurate.</p> <p><u>Implementation date:</u> May 2024</p> <p>Recommendation 2</p> <p><u>Recommendation priority:</u> Medium</p> <p><u>Recommendation Details:</u> The responsible officer should request a breakdown of the fixed and incentive elements of the payment received from Gloucestershire County Council in order to verify that the correct values have been received.</p> <p><u>Implementation date:</u></p>

		be received is £100,000, this gives reasonable assurance that the risk of unclaimed income is low as it is expected that the value will be similar to quarter four of last year, which would bring the total to approximately £80,000	July 2024 Responsible Officer: Head of Waste and Recycling
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Corporate Improvement: ICT Assets and Licences

Summary

An independent review of the current number of IT licences and assets was carried out, this was to gain assurance that the numbers purchased were justified and that the council was not over-subscribing to licenses unnecessarily. An all-staff list was obtained, this included officers, contractors, and councillors. A comparison was then carried out against the IT asset register and Microsoft licence record. This concluded that there is reasonable assurance that licences were only obtained and issued where necessary, and in all cases, they were found to be allocated to existing members of staff. There were a small number of licences which were yet to be allocated, but this was not considered significant. Some additional work to update the asset register should be completed by the IT team to ensure that it remains up to date and includes the necessary information.

Recommendations Rating

Priority:	Definition:
1 High	A fundamental weakness in the system that puts the Authority at risk. This might include non-compliance with legislation or council policy, or may result in major risk of loss or damage to council assets, information or reputation. Requires action as a matter of urgency; to be addressed within a 3-6 month timeframe wherever possible or within an extended time frame as agreed with Internal Audit if the recommendation requires extensive resources or time.
2 Medium	Observations refer mainly to issues that have an important effect on the system of internal control but do not require immediate action. Legislation or policy are unlikely to be breached as a consequence of these issues, although could cause limited loss of assets, information or adverse publicity or embarrassment. Internal audit suggest improvement to system design to minimise risk and/or improve efficiency of service. To be resolved within a 6-9 month timescale.
3 Low	Observations refer to issues that would if corrected, improve internal control in general and ensure good practice, but are not vital to the overall system of internal control. A desirable improvement to the system, to be introduced within a 9-12 month period.

Level of control

Level of control:	Definition:	Guidance:
Substantial	Substantial assurance- A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	No audit recommendations or no more than 3 low priority (3) recommendations.
Reasonable	Reasonable assurance- There is generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	No more than 2 medium priority (2) recommendations, possibly with some low (3) recommendations.
Limited	Limited assurance- Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	Between 1 and 3 high priority (1) and possibly several other priority recommendations OR 3 or more medium (2) recommendations.
No Assurance	No Assurance- Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	4 or more Priority 1s OR 6 or more medium priority (2) recommendations.