



Internal Audit Service

CONFIDENTIAL

<p style="text-align: center;">Internal Audit Report Executive Summary</p>

To: Head of Finance
Subject: Council Tax
Report ref: GBC 35
Date: February 2005

1 Introduction

1.1 The attached report sets out the findings and recommendations arising from a recent review of the Council Tax system at Gedling Borough Council.

1.2 Figures used for the setting of the 2004/05 council tax were as follows:

	£
Base Debit	54,225,302.24
Less Property Exemption	(834,276.98)
Disability allowances	(56,774.62)
Discounts	(4,824,291.48)
Total	£48,509,959.16

2 Objectives and scope of the audit

2.1 Objectives

The objectives of the audit were the following:-

- to document the systems and evaluate the controls in operation to ascertain their adequacy and effectiveness; and
- to test transactions for compliance with documented procedures and controls.

2.2 Scope

The following control objectives were examined during the audit:-

- all taxable properties are identified and accurately recorded;
- persons liable for Council Tax have been identified and all discounts, benefits, exemptions and allowances have been correctly recorded within the accounts;
- Council Tax bills are raised accurately and in a timely manner;
- income is recorded correctly within the individuals' accounts;
- arrears are identified promptly and pursued;
- write-offs are valid and authorised;
- adjustments to the system and the data held are monitored and reviewed;
- the setting of the Council Tax complies with statutory and non-statutory requirements; and
- management information is produced in a timely manner and used effectively.

3 Main Findings

- 3.1 All controls were found to be working effectively with regard to ensuring that all taxable properties are identified, raising accurate and timely bills and accounting for payments received. In the majority of areas, the controls in the current financial year remain unchanged from those in place in the previous year. Compliance testing has confirmed that these key controls are consistently applied.
- 3.2 Of the three recommendations agreed at the previous audit, two have been implemented fully, however, write-offs continue to be an area of concern since the first batch of cases for write-off in the current year had not been processed at the time of the audit. The commitment, given at the last audit, to review write-off cases on a biannual basis is yet to be honoured.

4 Audit opinion

- 4.1 In our opinion, the arrangements for control of the Authority's Council Tax system are satisfactory. Where we have identified weaknesses, particularly in relation to the backlog of write-off cases, we have made recommendations to further improve the controls over Council Tax processing.

**Audit conducted by:
David Hague CDipAF
Auditor**

**Audit supervised by:
Roger Smith ACMA
Assistant Audit Manager**

**J K Nash CPFA
Assistant Treasurer**