

TITLE	Internal Audit of Council Tax Reduction Scheme
FOR CONSIDERATION BY	Audit Committee on 5 June 2019
WARD	None Specific
LEAD OFFICER	Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

Providing assurance that the Council has the appropriate internal controls in place when considering new/amendments to policy.

RECOMMENDATION

The Audit Committee is asked to note the Internal Audit report.

SUMMARY OF REPORT

This report presents the conclusions of the Internal Audit of the Council Tax Reduction Scheme which is shown at Appendix 1.

The principal objective of the audit was to examine the governance arrangements and processes for setting and approving the Council Tax Reduction Scheme (CTRS) for 2019/20.

Overall, the audit found that effective processes were in place for setting and approving the CTRS, which have been generally well followed by Officers. The process commenced in a timely manner and efforts were made to engage with leadership and Members, to ensure that the scheme was delivered on time and to manage the financial implications to the council. However, controls that should have ensured the successful delivery of the CTRS were impacted by a number of key factors that occurred at that time, including instability in leadership with key Officers and Members being vacant from post, the major restructure programme that the team was heavily involved in and the ineffectiveness of Member oversight and decision-making.

It is recognised that there are some areas for development in order to strengthen controls within the process and address concerns around Members oversight of the CTRS. The process may be enhanced further by strengthening the public consultation, producing a project plan and communication plan to guide the process and reviewing safeguards for detecting legislative changes. Members may also benefit from a training session around the key changes within the benefits system and an Overview and Scrutiny review may provide further assurance over the arrangements for setting the annual CTRS. It is also considered that the process may benefit from forming a cross-party working group of Members to review proposed changes to the CTRS in future years.

A comprehensive management action is in place and a verbal update on progress towards implementing the actions will be provided at the meeting.

Background

Following the initial consideration of changes to the CTRS at Council in January 2019, the Chairman of the Audit Committee requested internal audit review the governance arrangements and processes for setting the CTRS for 2019/20.

A cross-party group of Members has met to review the draft conclusions from the audit.

Analysis of Issues

Details of the internal audit can be found in the report at Appendix 1.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council continues to face severe financial challenges over the coming years as a result of reductions to public sector funding and growing pressures in our statutory services. It is estimated that Wokingham Borough Council will be required to make budget reductions of approximately £20m over the next three years and all Executive decisions should be made in this context

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£Nil	Yes	Not applicable
Next Financial Year (Year 2)	£Nil	Yes	Not applicable
Following Financial Year (Year 3)	£Nil	Yes	Not applicable

Other financial information relevant to the Recommendation/Decision

None

Cross-Council Implications

Reasons for considering the report in Part 2

Not applicable

List of Background Papers

Internal Audit of Council Tax Reduction Scheme

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