

Internal Audit Activity Progress Report

2019-2020



(1) Introduction

All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act (S151) and the Accounts and Audit Regulations 2015. The latter states that a relevant authority “must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”. The Internal Audit Service is provided by Audit Risk Assurance under a Shared Service agreement between Gloucester City Council, Stroud District Council and Gloucestershire County Council and carries out the work required to satisfy this legislative requirement and reports its findings and conclusions to management and to this Committee.

The guidance accompanying the Regulations recognises the Public Sector Internal Audit Standards 2017 (PSIAS) as representing “proper internal audit practices”. The standards define the way in which the Internal Audit Service should be established and undertake its functions.

(2) Responsibilities

Management are responsible for establishing and maintaining appropriate risk management processes, control systems (financial and non financial) and governance arrangements.

Internal Audit plays a key role in providing independent assurance and advising the organisation that these arrangements are in place and operating effectively.

Internal Audit is not the only source of assurance for the Council. There are a range of external audit and inspection agencies as well as management processes which also provide assurance and these are set out in the Council’s Code of Corporate Governance and its Annual Governance Statement.

(3) Purpose of this Report

One of the key requirements of the standards is that the Chief Internal Auditor should provide progress reports on internal audit activity to those charged with governance. This report summarises:

- The progress against the 2019/20 Internal Audit Plan, including the assurance opinions on the effectiveness of risk management and control processes;
- The outcomes of the Internal Audit activity during the period September 2019 to October 2019; and
- Special investigations/counter fraud activity.

(4) Progress against the 2019/20 Internal Audit Plan, including the assurance opinions on risk and control

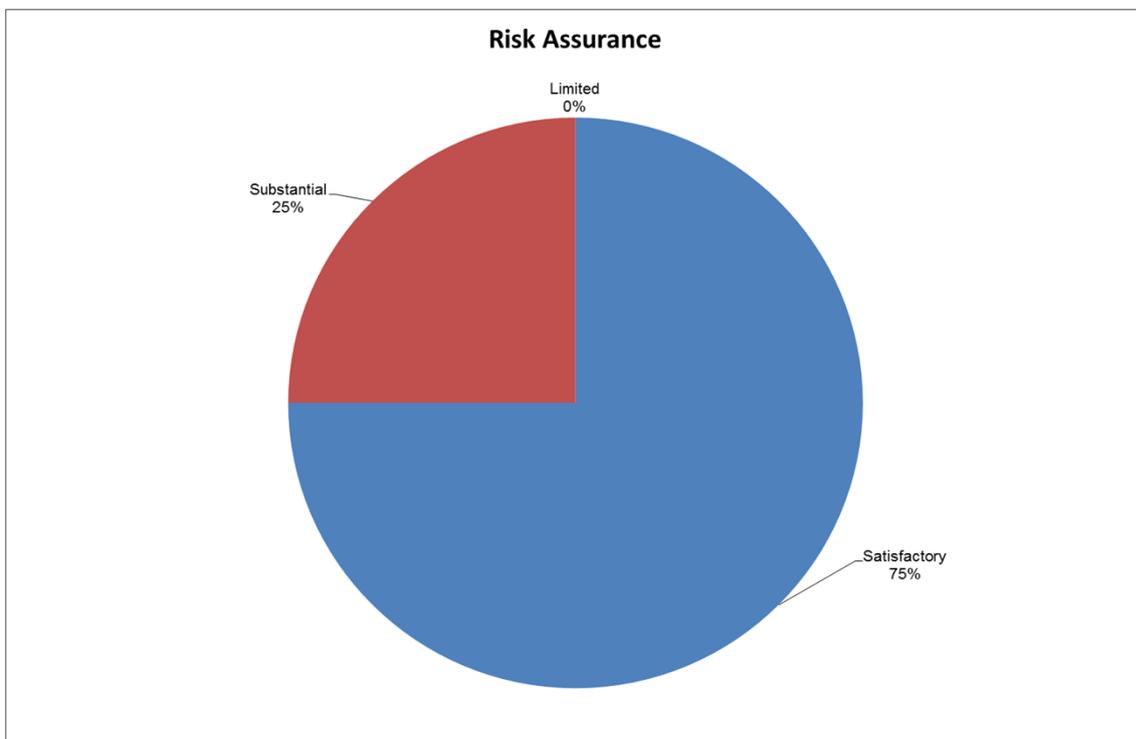
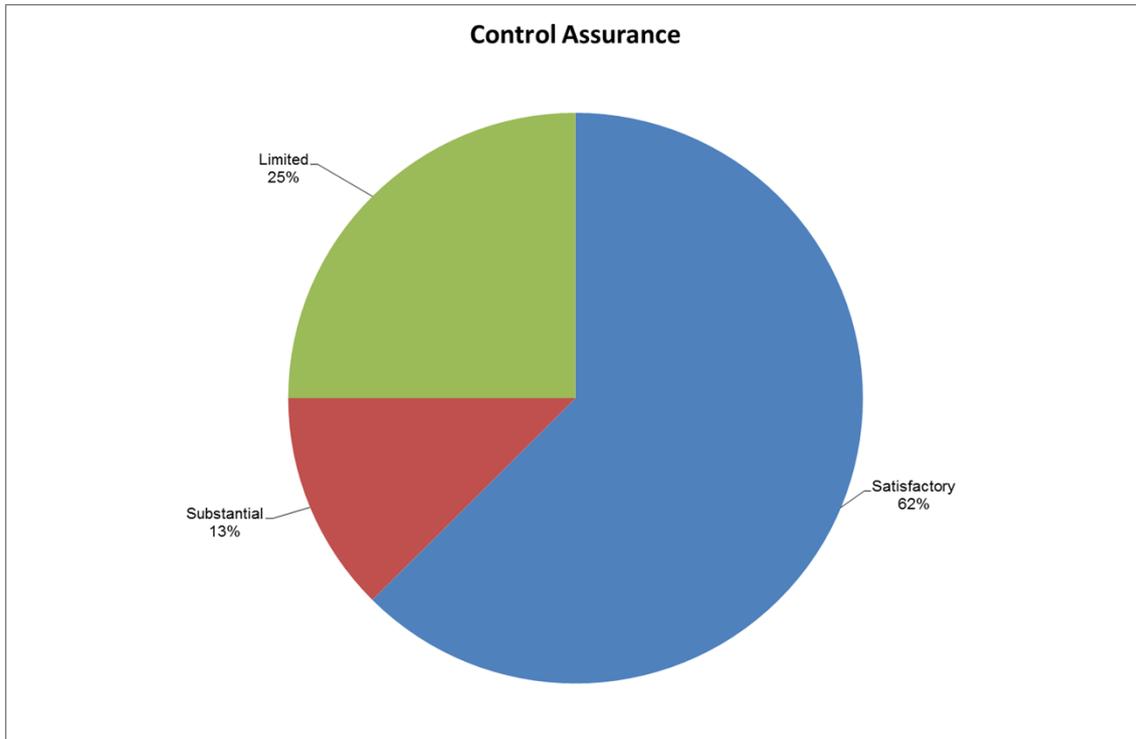
The schedule provided at **Attachment 1** provides the summary of 2019/20 audits which have not previously been reported to the Audit and Governance Committee.

The schedule provided at **Attachment 2** contains a list of all of the 2019/20 Internal Audit Plan activity undertaken during the financial year to date, which includes, where relevant, the assurance opinions on the effectiveness of risk management arrangements and control processes in place to manage those risks and the dates where a summary of the activities outcomes has been presented to the Audit and Governance Committee. Explanations of the meaning of these opinions are shown in the below table.

Assurance Levels	Risk Identification Maturity	Control Environment
Substantial	<p>Risk Managed Service area fully aware of the risks relating to the area under review and the impact that these may have on service delivery, other service areas, finance, reputation, legal, the environment, client/customer/partners, and staff. All key risks are accurately reported and monitored in line with the Council's Risk Management Strategy.</p>	<ul style="list-style-type: none"> • System Adequacy – Robust framework of controls ensures that there is a high likelihood of objectives being achieved • Control Application – Controls are applied continuously or with minor lapses
Satisfactory	<p>Risk Aware Service area has an awareness of the risks relating to the area under review and the impact that these may have on service delivery, other service areas, finance, reputation, legal, the environment, client/customer/partners, and staff, however some key risks are not being accurately reported and monitored in line with the Council's Risk Management Strategy.</p>	<ul style="list-style-type: none"> • System Adequacy – Sufficient framework of key controls for objectives to be achieved but, control framework could be stronger • Control Application – Controls are applied but with some lapses
Limited	<p>Risk Naïve Due to an absence of accurate and regular reporting and monitoring of the key risks in line with the Council's Risk Management Strategy, the service area has not demonstrated an satisfactory awareness of the risks relating to the area under review and the impact that these may have on service delivery, other service areas, finance, reputation, legal, the environment, client/customer/partners and staff.</p>	<ul style="list-style-type: none"> • System Adequacy – Risk of objectives not being achieved due to the absence of key internal controls • Control Application – Significant breakdown in the application of control

(4a) Summary of Internal Audit Assurance Opinions on Risk and Control

The pie charts provided below show the summary of the risk and control assurance opinions provided within each category of opinion i.e. substantial, satisfactory and limited in relation to the 2019/20 audit activity undertaken up to October 2019.



(4b) Limited Control Assurance Opinions

Where audit activities record that a limited assurance opinion on control has been provided, the Audit and Governance Committee may request Senior Management attendance at the next meeting of the Committee to provide an update as to their actions taken to address the risks and associated recommendations identified by Internal Audit.

(4c) Audit Activity where a Limited Assurance Opinion has been provided on Control

During the period September 2019 to October 2019, one audit review has been provided with a limited assurance opinion on control which relates to Travel and Other Expenses.

It is important to note that whilst a limited assurance opinion has been provided, management have responded positively to the recommendations made and have provided assurance to Internal Audit (through management response to the recommendations raised within the report and verbal assurance) that a plan of action has been prepared to address the issues identified by this review.

In addition, where a limited assurance opinion is given, a follow up audit is undertaken to provide assurance that the agreed actions have been implemented by management.

(4d) Satisfactory Control Assurance Opinions

Where audit activities record that a satisfactory assurance opinion on control has been provided, where recommendations have been made to reflect some improvements in control, the Committee can take assurance that improvement actions have been agreed with management to address these.

(4e) Internal Audit Recommendations

During the period September 2019 to October 2019 Internal Audit made, in total, **11** recommendations to improve the control environment, **4** of these being high priority recommendations i.e. **7** being medium priority recommendations (**100%** accepted by management).

The Committee can take assurance that all high priority recommendations will remain under review by Internal Audit, by obtaining regular management updates, until the required action has been fully completed.

(4f) Risk Assurance Opinions

During the period September 2019 to October 2019, no limited assurance opinions on risk have been provided on completed audits from the 2019/20 Internal Audit Plan.

Where a limited assurance opinion is given, the Shared Service Senior Risk Management Advisor will be informed to enable the prioritisation of risk management support.

Completed Internal Audit Activity during the period September 2019 to October 2019

Summary of Limited Assurance Opinions on Control

Service Area: Policy and Resources

Audit Activity: Travel and Other Expenses

Background

Gloucester City Council has a corporate policy that specifies the expenses that can be claimed by employees including travel, accommodation and subsistence. The Council's Green Travel Policy encourages the use of sustainable and cost-effective forms of transport for all business journeys which is supported by the Travel Policy stating that all alternatives should be considered before personal vehicles are used.

Scope

To provide assurance that the expense payments made to employees are in accordance with the corporate policy. In particular, to review the process and controls in relation to the authorisation of expense claims, monitoring of expense payments and retention of supporting documents.

Risk Assurance – Satisfactory

Control Assurance – Limited

Key Findings

- On an annual basis the Council will reimburse expenses claims submitted by employees in the region of £16,000.
- Business mileage for cars and vans is paid at 50p per mile. Whilst this is above the HMRC approved rate this is identified in the payroll system and taxed accordingly.
- Evidence was not available to confirm that the required drivers' checks were completed for employees using personal vehicles to complete a business journey.
- A total of £4,325.71 had been paid in expenses from January 2019 to 13th June 2019. Internal Audit reviewed 45 expense claims paid from this period to ensure that they had been appropriately authorised and that the underlying expenditure reimbursed was in accordance with policy. Sample testing identified that:

- The majority of claims were input electronically, with the remaining nine claims completed via manually. All electronic inputs are authorised via a workflow system, meaning that they cannot be processed until the set authorising manager has agreed the expenses. The manual claims were appropriately authorised via manager email to the Business Service Centre;
- 29 (64%) expense claims did not have supporting receipts to confirm that the expenditure had been incurred;
- 17 (100%) of the mileage claims were not supported by a petrol receipt as required by HMRC for reclaiming VAT;
- Seven expense claims were made to recover 10% of the cost for commuting from home to work via public transport under the Green Travel Plan agreed by Cabinet on 31st March 2004. However, this scheme is not within the current Green Travel Policy agreed at Cabinet on 7th February 2018. The current method of reimbursement does not ensure the correct treatment for tax (benefit in kind) or VAT accounting when appropriate; and
- Three claims (two self-employed individuals and one from an individual undertaking a Civic Duties) should have been subject to tax deductions.

Conclusion

The value and number of expenditure / claims in context to the overall expenditure of the Council is very low. However, in order to maintain an effective control environment which operates within the Council's policies and HMRC requirements, Internal Audit recommended that the following areas were reviewed to mitigate the associated risks by:

- Updating the Travel Expenses Policy to meet HMRC requirements;
- Reviewing the processes in place for checking / retaining receipts;
- Evidencing the completion of driver checks as per current policy, or following a driving at work risk assessment, consider amending the policy to reflect a control process which is within the Council's risk appetite;
- Reviewing and updating, where necessary, the Green Travel Policy, Green Travel Plan and associated schemes; and

- Ensuring the correct method is used for paying expenses, including taxable benefits and allowances to ensure the correct treatment of tax and VAT.

Management Actions

The Head of Policy and Resources has considered the recommendations made in the draft report and has prepared an action plan to address the issues identified. Following a risk assessment completed by the Head of Policy and Resources it has been decided that a key control (requiring the completion of driver checks on employees using their own vehicles for business journeys) will be discontinued, primarily due to the low number of employees making such claims with the residual risk to the Council now considered within its risk appetite. Consequently, the policy will be updated to make employees responsible for ensuring they have met these requirements and to also highlight that Managers' may carry out random checks when claims are made should they wish to.

Summary of Satisfactory Assurance Opinions on Control

Service Area: Council Wide

Audit Activity: Sickness Absence Procedure

Background

Sickness absence has an impact on the delivery of the Council's services and to the individual themselves and their colleagues. The Council wishes to ensure that the reasons for sickness absence are understood in each case, investigated where necessary and that, where needed, measures are taken to assist those who have been absent by way of sickness to return to work.

Managers are responsible for the successful operation of the sickness absence procedure within the service areas for which they are responsible, supported by the Human Resources (HR) service as appropriate.

Scope

This audit has reviewed how service managers operate the sickness absence procedure in practice, testing that appropriate monitoring and action (in accordance with the policy, procedure and guidance) is being taken by managers.

Risk Assurance – Substantial

Control Assurance – Satisfactory

Key Findings

The sickness absence procedure is well defined with significant guidance and support (e.g. templates) to aid employee understanding of the requirements and to support managers in the effective monitoring and management of sickness absence.

HR support and advice is provided by Gloucestershire County Council. The roles and function of the support service and the responsibilities of service managers in relation to sickness absence is now well understood and the arrangement, as it continues to further evolve, operates effectively.

Management information is provided by the HR team which aids and supports the monitoring of sickness absence. The sickness absence management information feeds through to the overall sickness absence performance levels. The performance reports also inform service managers when the sickness periods for employees within their teams, reach the specific trigger points that then require further management actions.

Through discussions with a number of service managers about the application of the procedure, the review of a sample number of sickness absence cases and the examination of sample documents, confirmation was obtained that the sickness procedure is being followed. A number of cases where the sickness absence triggers had been reached were examined with service managers and the HR case management team - confirmation was obtained that the sickness absence procedure has been complied with.

Part of the sickness absence procedure places responsibility for recording sickness absence on the SAP system (the GCC financial management system) with the service manager. As there is no secondary system to verify absence against, reliance is placed on service managers that the procedure is applied in all instances.

No sickness absence source records were found that had not been recorded on the SAP system. However, the promptness of SAP processing has been identified by the HR support provider as an area where there has been non-compliance with the sickness absence procedure, this can impact on the accuracy of an individual employees' payroll.

The location of the source documents that evidence sickness absence and which support payroll adjustments is specified in the guidance, and a consistent approach in accordance with the guidance is required. A recommendation has been made.

Policy and procedure provide a framework for delivery and compliance. In areas like sickness absence the general culture is also a key factor; balancing, for example, the needs of the individual, the team and the delivery of service aims and objectives.

A request was made for the internal audit review to explore whether managers display the right attitude, mind set and leadership to actively embrace processes and policies. The following comments and observations have been formulated base upon; the application of the sickness absence policy and procedure, sample case review, sickness absence trends, a consensus view of a sample number of service managers and HR service provider feedback:

- Collectively, the information obtained offered confidence that managers have a positive approach to the management of sickness absence. The clarity as to the managers' role and responsibilities, and of the role and functions of the HR team as a support provider, offers a strong foundation.
- There was evidence of a pragmatic approach, with recognition that due to the low frequency of some of the management challenges generated by sickness absence additional 'hand holding' may be required from the specialist HR case management team. However, all managers within Internal Audit's sample were very clear that they are responsible for both task and actions.

As well as SAP processing, which has been raised earlier in this report there were two other areas raised by service managers that have not been pursued in detail as part of the internal audit review, but an awareness may prove helpful:

- Sickness absence and its potential impact on service resilience was identified as a concern, particularly where there are small teams or there is single post holder reliance.
- The occupational health referral process and the consideration of service delivery requirements when forming recommendations to support employee wellbeing.

Conclusion

The sickness absence policy, procedure and operating arrangements offer a comprehensive framework for effective sickness absence management.

Based on feedback from a sample number of service managers, from others who support and assist those managers, and data and document review, there is a positive attitude and mind set towards sickness absence management.

An important element is the effectiveness of the relationship that now operates between service managers and the HR team. Service managers offered clarity over their role and responsibilities. The role of the HR team has now evolved to reflect that intended, of specialist advisor, the provider of process guidance along with the collation and issue of sickness absence performance information.

There is need for service managers to improve elements of the administrative and recording processes that link to and evidence on employee personnel records; payroll adjustments made, sickness absence details and actions.

Management Actions

Management have responded positively to the audit findings and a plan of action has been agreed that when implemented will address the issues highlighted by this review.

Service Area: Policy and Resources

Audit Activity: Civil Parking Enforcement

Background

In May 2018, the Council awarded a contract (maximum term of 7 years) for the enforcement and management of the Council's car parks from 31st August 2018.

Scope

The overarching objective of this audit was to provide assurance that the new arrangements are operating as envisaged. In particular that the:

- Income due under the contract is being collected, received and accounted for; and
- Payments made to the contractor are in accordance with the contractual terms and conditions.

Risk Assurance – Satisfactory

Control Assurance – Satisfactory

Key Findings

Income – Pay and Display

- The charges for off-street car parking were agreed by Cabinet on 20th February 2019 and Internal Audit observed that the correct charges are being applied.
- Charges can be paid using both cash and cashless methods. The income received for January 2019 through to May 2019 was circa £1.1m.

- All pay and display ticket machines (excluding those at Eastgate and Kingswalk Shopping Centres) were upgraded in December 2018 (cost £135k) to modernise the hardware and provide a better user experience.

Income – Penalty Charge Notices (PCN's)

- The fees applied for applicable contravention codes agree with the Road Traffic Act 2007.
- The contractor i.e. Saba deploys Civil Enforcement Officers (CEO) to patrol the car parks and will issue a PCN for parking contraventions in accordance with the Road Traffic Act 2007. PCN's are issued using a hand held device and any supporting information e.g. photographs of the contravention, relevant code and a description of the offence is uploaded in real time to the Council's centrally hosted system.
- Back office administrative services are provided by a third party (i.e. Chipside) who will correspond with members of the public relating to PCN's as well as other parking matters including telephone calls and payments. The Council retains authorisation for all decisions pertaining to PCN's (including cancellations).
- The Council's website details how PCN fees can be paid, either online or by cheque, and provides a link to an online payment portal facilitated by Chipside. At present, the web page does not provide supporting information on the PCN process and lifecycle/FAQ which if included, would enable a recipient of the PCN to be more self-servicing, and potentially reduce the level of queries received.
- Chipside remit PCN income monthly with a suite of reports to allow reconciliation of the income sources to the total remitted; however, Council Parking Contract Officers do not monitor income and verify that the amount received is correct.

Payments to the Parking Contractor

- Under the contract, the Council is invoiced by Saba for services rendered during the previous month. Upon receipt, verification is performed by the Parking Contract Officers who utilise Chipside software to provide independent scrutiny of costs/volumes invoiced. Payment will be withheld until any queries are resolved.

- The payment mechanism detailed within the specification includes a performance payment, which will only be made if the KPI's are met at the end of each month and allows the Council to ensure that value for money is achieved. This payment performance related element equates to 10% of the monthly invoice value and this should be agreed by both parties prior to the 5th working day of the following month and invoiced separately to the core value.

However, this process is currently not in place with the Council paying 100% of the monthly invoice irrespective of performance. In addition, the payment mechanism is disputed by the contractor who has considered that this relates to a bonus payment of an additional 10% of the monthly core value which can be claimed depending on performance.

- A high percentage of the invoiced amount is staffing costs and overheads to deliver and administer the contract. From review of the contractor invoices versus the pricing schedule within the contract documentation, several anomalies were identified. Whilst Internal Audit can confirm that the unit costs in relation to line items for CEO deployment hours are in line with the contract pricing schedule, several of the other line items appearing within the invoice were being undercharged.
- Taking the above anomaly into account, Internal Audit confirms that all payments made to the contractor for the audit tested period (September 2018 and March 2019) agree with the invoices received in terms of the volume of items charged and the rates specified in the invoice.

Contract Management

- The upgraded pay and display machines facilitate improved income monitoring and the ability to remotely monitor the operational status of each machine, thus increasing autonomy that can be exercised by the Council.
- It is the intention of the Council that a monthly contract meeting will take place to discuss performance and to agree payments relating to KPI's. However, due to some operational concerns it has been necessary for the Council to instigate more frequent and ad hoc meetings to discuss performance.
- Council scrutiny of the contractor invoices has led to positive challenge and an identification of improvements in process that can be made.

- Whilst there has been some operational concerns surrounding CEO working rotas / deployment hours for example, the principal issue concerns the qualification and subsequent payments due to the contractor which are linked to the Key Performance Indicators. As such, both parties are now seeking legal advice regarding the non-payment of KPI invoice payments by the Council.
- Whilst several changes have been made to the original contract specification and pricing schedule the contract changes have not been standardised and recorded on contract change forms, and a log has not been maintained of the variations.

Conclusion

Through review of the processes and controls applied during the period September 2018 to July 2019 and the audit testing completed (as specified within the above Key Findings), reasonable assurance has been gained that the income due under the contract is being collected and received by the Council and the invoices submitted by the contractor are subject to scrutiny and challenge.

It is evident that the transition to the new contractor has been more difficult than anticipated and several operational issues and challenges have arisen. The Council Parking Contract Officers oversee the day to day operation of the contract, and they have been actively working with the contractor representatives to resolve the issues identified.

The process of issue resolution does appear to be heavily protracted, and several issues identified early in the commencement of the contract remain unresolved and affecting the smooth running and management of this contract. In the short-term it is imperative that an agreement with the Contractor is now reached on how the payment mechanism and subsequent treatment of the payments linked to the KPI's will work going forward.

Management Actions

Management responded positively to the audit findings and a plan of action was agreed that when implemented will address the issues highlighted by this review. Whilst progress has been made in implementing the agreed actions the High Priority recommendation (agreed completed date 1 October) to identify and formally document variations to the contract has not been finalised. Management have now confirmed that this has been tabled with the contractor and will be finalised before the Audit & Governance Committee meeting.

Service Area: Policy and Resources

Audit Activity: Local Government Transparency Code - 2015

Background

The Transparency Code was introduced to meet the Government's desire to place more power into citizens' hands to increase democratic accountability and make it easier for local people to contribute to the local decision-making process and help shape public services.

Transparency is the foundation of local accountability and the key that gives people the tools and information they need to enable them to play a bigger role in society. The availability of data can also open new markets for local business, the voluntary and community sectors and social enterprises to run services or manage public assets. This audit will review the arrangements and level of compliance with the Code.

Scope

The objectives of the audit were to:

- Review the overarching arrangements to manage and monitor the Council's compliance with the transparency code;
- Review each specific area of the Code that applies to the Council examining and testing compliance with the 'must be published' requirement of the transparency code; and
- Sample test the controls applied to the data and information published on the website under the requirements of the code, which ensure it is in accordance with the definitions, and is timely, complete, accurate, accessible and useable.

Risk Assurance – Satisfactory

Control Assurance – Satisfactory

Key Findings

- The Department for Communities and Local Government (DCLG) published a revised Transparency Code in February 2015, which specifies what open data local authorities must publish;

- To support local authorities in understanding and implementing the Code (and to help them publish the data in a meaningful and consistent way), the Local Government Association (LGA) has published appropriate guidance. The guidance provides more detail on both the mandatory and recommended elements of the Code and this has been used by Internal Audit to assess the Council's level of compliance with the mandatory elements;
- The Council provides easily accessible data in most cases, however, data pertaining to some of the grants made to voluntary, community and social enterprise organisations (VCSE) is provided in a standalone tab on the Community Living tab of the Council's web page, not the Transparency sub section as exemplified by other local authorities; and
- Data relating to VCSE grants is also provided within the monthly expenditure published by the Council and therefore the Council should consider if both data sources are appropriate to avoid duplication and increase transparency and ease of use.

Conclusion

Overall, appropriate management arrangements are in place and the Council can demonstrate appropriate commitment and levels of compliance to fulfilling the requirements of the Code.

Most data published under the Code is readily accessible to stakeholders via the Council's website: Transparency pages albeit some lapses of compliance were identified where the expected data is either not published or if previously published, is not kept current.

In order to further demonstrate the Council's commitment to the transparency agenda, management should ensure that the areas of non-compliance identified by this review (relevant to four Code information categories) are now rectified and that going forward the data is current.

Management Actions

Management have responded positively to the audit findings and are working to complete the remaining proposed actions by the end of November 2019.

Summary of Consulting Activity and/or Support where no opinions are Provided

Service Area: Policy and Resources

Audit Activity: European Elections

Background

The European Parliamentary Election was on held 23rd May 2019. The costs incurred by the Local Returning Officer for managing and administering the election which have been paid through Gloucester City Council's payment systems may be claimed back from the Electoral Commission (EC). The Council's managing director fulfils the role of the Local returning Officer.

Scope

This was an unplanned review requested by the Policy and Governance Manager. The objective of the audit was to provide assurance that, in all significant respects, the claim for the elections (to be signed off by the Returning Officer) is complete and accurate and appropriately evidenced.

Risk Assurance – N/A

Control Assurance – N/A

Key Findings

- The claim has been prepared by the Policy and Governance Manager on behalf of the Local Returning Officer, with the face value of £165,773.66 against a maximum amount recoverable of £171,095.00.
- A number of areas were identified for consideration where there is opportunity to increase the sum claimed. The principle that the Council should not incur any cost (directly or indirectly) for the management and administration of the election has been applied by Internal Audit when identifying these areas.
- The claim has been completed in the required Microsoft Excel template provided by the EC and the Heads of Expenditure within the claim spreadsheet were found to agree and cross-reference to summary forms and the sub workbooks.
- Appropriate documentation was not held by the Policy and Governance Manager to support some elements of the claim to the value circa £19,000.00.

Conclusion

To provide a full audit trail and to support the rates of pay used when calculating staff payments, it would be beneficial if the Local Returning Officer approved the scale of fees to be used for each election role in advance of any elections.

A number of questions and suggested amendments have been raised by Internal Audit which if subject to scrutiny by the EC may be challenged which could result in the value of the claimed reimbursement being reduced.

Provided that the questions, and suggested adjustments highlighted by this review are completed, Internal Audit considers with reasonable assurance that the claim to be submitted to the EC Claims Unit is a fair and accurate reflection of costs incurred in facilitating the European Parliamentary Election.

Management Actions

The Policy and Governance Manager has confirmed that they will discuss the points raised with the Local Returning Officer ahead of submission of the accounts to the EC.

Summary of Special Investigations/Counter Fraud Activities

Current Status

As at 22nd October 2019 there have been four fraud/irregularity referrals received by Audit Risk Assurance (ARA) for investigation. All four cases are still ongoing and the outcomes will be reported to the Audit and Governance Committee once the investigations are complete.

The ARA Counter Fraud team currently comprises of 2.6 equivalent FTE's. The recruitment of a second FTE has increased the resilience and expertise in this area.

The team is continuing to raise the profile of the service by actively engaging with Gloucester City staff and plans to attend staff meetings, run fraud awareness training sessions and other fraud initiatives such as the promotion of International Fraud Awareness week (IFAW) in November. By raising the profile of the service it is expected that this will generate referrals from across the City Council.

The 2017-19 Counter Fraud Policy and Strategy together with the Fraud Risk Registers are under review and will be provided to the Audit and Governance Committee once completed. The 2016-19 CIPFA Fighting Fraud and Corruption Locally Strategy (the counter fraud and corruption strategy for local government) which is referred to in the policy and strategy has not yet been updated and ARA have been advised that this document is unlikely to be available before March 2020.

Any fraud alerts received by Internal Audit from National Anti-Fraud Network (NAFN) are passed onto the relevant service areas within the Council, to alert staff to the potential fraud.

National Fraud Initiative (NFI)

Internal Audit continues to support the NFI which is a biennial data matching exercise administered by the Cabinet Office. The 2018/19 data collections have been successfully uploaded to the Cabinet Office during October 2018 and the data matching reports were released on 31st January 2019 and the relevant staff at Gloucester City have been informed and any significant outcomes will be reported to the Committee. Examples of data sets include housing, insurance, payroll, creditors, council tax, electoral register and licences for market trader/operator, taxi drivers and personal licences to supply alcohol. Not all matches are investigated but where possible all recommended matches are reviewed by either Internal Audit or the appropriate service area.

Additional data (Recheck) in respect of council tax and electoral register data is due to be submitted by the Council submitted through the secure NFI web application, as soon as possible after 2nd December 2019 and no later than 28th February 2020.

The timetable can be found using the following link [GOV.UK](https://www.gov.uk). Data uploaded after 28th February 2020 will be classed as officially late.

In addition to the information available on the NFI website, a report detailing the number of key matches, including the area within which they sit, together with the progress of actions undertaken to date to review the matches is being developed by ARA. This will be shared with the Monitoring Officer at regular intervals to provide an overview of progress and any key/significant outcomes to be easily identified.

ARA has been advised by the Policy and Resources Intelligent Client Officer that the Counter Fraud Unit (CFU) (procured via ARA) have been tasked with reviewing the NFI single person discount (SPD) matches.

The majority of these matches are those between electoral register and those who receive a 25% discount from their council tax for being the single occupant of a property. The number of matches was quite significant, speculatively this could be attributable to the fact that more people registered on the electoral in the lead up to the Brexit vote in 2017.

An initial overview of the matches was undertaken by the CFU and a number of 'legitimate' and exempted matches were identified and discounted. Letters then issued to all of the remaining people seeking clarification of their entitlement to the reduction in council tax by way of single person discount. A dedicated email address was created for this so people could respond by email if they chose to do so. This work has been transferred to the Revenues team to continue with the project and any bills will be amended as required. The NFI records have been updated accordingly and a summary of the findings will be provided to the next Audit and Governance Committee.

Gloucester City Council has introduced an Empty Homes premium on all unoccupied properties which have been unoccupied for in excess of 2 years. This came into force with effect from 1st April 2019 – for further information about the Empty Homes Premium – please follow this link - <https://www.gloucester.gov.uk/council-tax-benefits/council-tax/council-tax-premium-on-long-term-empty-properties/>

Prior to the premium being introduced the CFU undertook a special exercise to visit all of those properties said to have been unoccupied for >2 years. The Revenues team have now completed the project to visit all homes in the city listed as unoccupied and the council tax records have been updated. This project also included those homes which are said to have been unoccupied for less than two years. This piece of work is still ongoing and the key outcomes/findings of the project will be reported to the Audit and Governance Committee once analysed.