



**Comhairle nan Eilean Siar  
Internal Audit Follow Up Review  
Non-Domestic Rates  
Final Report – FU14-2024/25**

**27 August 2025**

**COMHAIRLE NAN EILEAN SIAR**  
**INTERNAL AUDIT FOLLOW UP REPORT**  
**NON-DOMESTIC RATES**

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**SECTION 1: EXECUTIVE SUMMARY**

**Introduction**

- 1.1 The Report has been prepared for the Comhairle's Audit and Scrutiny Committee. The original report advised of 3 recommendations made in the Non-Domestic Rates report which was issued on 17 February 2025. The follow up review was undertaken in accordance with the operational annual internal audit plan for 2025/26.

**Internal Audit Objective**

- 1.2 Following up internal audit reports and assessing the level of compliance with recommendations made is an important part of the internal audit function.
- 1.3 In accordance with the remit detailed in the operational annual internal audit plan for 2024/25, our internal audit work was designed to obtain assurance that the original recommendations have been implemented. We obtained this assurance through internal audit testing and undertaking discussions with key personnel.
- 1.4 The main recommendations in the original report were:
- The debt recovery process to get underway once the year end is complete and the billing for 2025/26 is concluded;
  - To confirm that the NDR bank reconciliation will be undertaken before the year end to give assurance that all income has been captured;
  - A canvassing programme be rolled out to confirm that the reliefs awarded are still valid and any new reliefs applied.

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**Detailed Findings**

- 1.5 The current status of progress against the original recommendations can be summarised as follows:

**Key to Status**






Fully implemented;



Partly implemented, although further work is required to meet the objective of the recommendation; or



Insufficient progress to date

Recommendations	Action to Date	Status
The Revenues and Benefits Manager to progress with the recovery of any outstanding and overdue debt once transitional relief due to ratepayers has been fully applied and the year-end processes are complete, and the bills have been dispatched.	Fully implemented	
The Revenues and Benefits Manager to confirm that an NDR bank reconciliation will be undertaken prior to the year-end 2025.	Fully implemented	
The Revenues and Benefits Manager should consider a roll-out of canvassing to confirm that reliefs being claimed are still applicable and any new reliefs applied.	Insufficient progress to date	

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**Concluding Remarks**

- 1.6 From our follow up testing, we note that out of the 3 follow up recommendations made in the original 2 appear to have been fully implemented, and management have confirmed that the remaining recommendations will be implemented.
- 1.7 For Comhairle Nan Eilean Siar Internal Audit Section

Internal Audit  
Comhairle Nan Eilean Siar  
Sandwick Road  
Stornoway  
Isle of Lewis  
HS1 2BW

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**SECTION 2 - DETAILED FINDINGS AND RECOMMENDATIONS**

<b>Action Recommended</b>	<b>Action By</b>	<b>Progress to Date</b>	<b>Action Outstanding</b>
<b>2.1</b>			
The Revenues and Benefits Manager to progress with the recovery of any outstanding and overdue debt once transitional relief due to ratepayers has been fully applied and the year-end processes are complete and the bills have been dispatched.	Revenues and Benefits Manager	Debt recovery is now underway following completion of transitional relief, year end and dispatch of bills.	None

<b>Action Recommended</b>	<b>Action By</b>	<b>Progress to Date</b>	<b>Action Outstanding</b>
<b>2.2</b>			
The Revenues and Benefits Manager to confirm that an NDR bank reconciliation will be undertaken prior to the year-end 2025.	Revenues and Benefits Manager	NDR bank reconciliations up to date	None

<b>Action Recommended</b>	<b>Action By</b>	<b>Progress to Date</b>	<b>Action Outstanding</b>
<b>2.3</b>			
The Revenues and Benefits Manager should consider a roll-out of canvassing to confirm that reliefs being claimed are still applicable and any new reliefs applied.	Revenues and Benefits Manager	No progress due to resource within the team. Current resource focused on other systems following the cyber-attack. Once systems are in operation and in a position where this work can be undertaken, this will form part of future progress.	All – rebuilding of systems and processes required first.

**RESPECTIVE RESPONSIBILITIES OF MANAGEMENT AND INTERNAL AUDIT**

**Responsibility in Relation to Internal Controls**

It is the responsibility of the Comhairle's management to maintain adequate and effective financial systems and to arrange for a system of internal controls. Our responsibility as internal auditors is to evaluate the financial systems and associated internal controls. In practice, we cannot examine every financial implication and accounting procedure within an activity, and we cannot substitute for management's responsibility to maintain adequate systems of internal controls over financial systems. We therefore may not identify all weaknesses that exist in this regard.

**Responsibilities in Relation to Fraud and Corruption**

The prime responsibility for the prevention and detection of fraud and irregularities rests with management. They also have a duty to take reasonable steps to limit the opportunity for corrupt practices. It is our responsibility to review the adequacy of these arrangements, but our work does not remove the possibility that fraud, corruption or irregularity may have occurred and remained undetected.

We nevertheless endeavour to plan our internal audit work so that we have reasonable expectation of detecting material fraud, but our examination should not be relied upon to disclose all such material frauds that may exist.