

Audit Services Monitoring Report: Third Quarter 2007/2008

KEY RECOMMENDATIONS FROM REPORTS ISSUED
[Bold text in brackets shows the management response]

P1 & P2 AUDIT RECOMMENDATIONS ONLY

LOANS & INVESTMENTS 2007/08

- (P2) That a new officer is appointed to be the Money Laundering Reporting Officer, following the resignation of the previous MLRO.
To be raised with the Chief Executive, in consultation with M Jepson, Head of Legal & Democratic Services.]
- (P2) That guidance / training is given to the MLRO and the deputy MLRO on the MLRO's duties and responsibilities. [CIPFA guidance is available].
[Audit & Fraud Prevention Manager will provide a copy of the CIPFA guidance. This also refers to guidance available on the National Criminal Intelligence Service web site [ncis.gov.uk]
- (P2) That an officer, independent of the dealer, should check the written confirmation of investments, to ensure that the principal amount and the calculation of interest is correct and that these match the treasury management records. This could be the officer responsible for cashflow monitoring.
[An officer has been nominated]

BENEFITS 2007/08

- (P2) That un-presented cheques over 6 months old should be promptly investigated. If staffing resources are limited, then efforts should be concentrated on those over £50 in value.
[As recommendation. Recovery Team Leader will need access to the TASK system to monitor these reports]
- (P2) That the list of batch processing reports, showing the officers responsible for reviewing these, should be updated following changes in staffing.
- (P2) That a duplicate National Insurance Numbers report should be run and periodically spot-checked.
- (P2) That a Crystal report should be produced from the Fraud Case Management system, to display closed cases on a monthly basis, showing which officer had closed the case. This could then be monitored to ensure that only the Fraud Team Leader could close the case. [It was not possible to apply a security restriction on this function.]
- (P2) That procedure notes are prepared to cover any Fraud section procedures not detailed in existing guidance provided for the software or by the Department of Work and Pensions Fraud Investigation Manual e.g. monitoring reports

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obtained and reconciliations performed, the responsible officers for each of the tasks and any cover arrangements.

CASH RECEIPTING 2007/08

- (P2) That, in the absence of the Financial Services Technical Officer, another officer should be nominated to take cheques over £10,000 for same day banking.
[Cash Office has been informed of the nominated officer.]

- (P2) Anti-money laundering arrangements are reviewed to ensure compliance with legislation and best practice. This should include the issuing of guidance to all relevant employees (sample guidance is included within the Cipfa publication on this topic).
[Recommendations have been made in the Loans & Investment report.]

- (P1) A limpet be fitted to the safe at Millom cash office so that cash stored is within the insured limit (£9,000).
[Collection frequency will be reviewed instead to ensure that the limit is not exceeded.]

- (P2) That a helpdesk form is submitted to Civica to resolve the issue of automatically prompting a password change.
[Implemented as at 25/10/07.]

- (P2) That all staff are made aware of, and have access to, the Council's Constitution, Financial Regulations (both are located on the CBC website), security policy and written procedures.

PAYROLL 2007/08

- (P2) That the Human Resources Officer should establish whether the Payroll Officers' access can be restricted so that only holidays and sickness can be input to Empower, with view only access to the rest of the data. Alternatively, whether management reports can be obtained to show amendments carried out, by user. These reports could then be reviewed, on a monthly basis, to confirm that there have been no unauthorised changes to the data.

- (P2) That the Accountancy section circulate the list of employees, and their pay scale points, to managers to confirm that the staff costs are being accurately charged to cost centres.

- (P2) That all new starters' birth certificates and educational qualifications should be checked and these checks should be evidenced on the individual's file.
[2006/07 recommendation implemented but since lapsed re evidence on file]

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- (P2) That the monitoring of progress on the reconciliation of control accounts should be a standing item on the Accountancy section's team meetings and that progress should be reported to the Head of Finance and Business Development.

- (P2) That the scope of planned overtime should be documented and agreed in advance with the relevant employees. The planned overtime record should specify the employee(s) concerned and the agreed hours to be worked, where this is practicable., or the maximum number of hours to be worked. When the overtime claim form is submitted, the manager should check this against the planned overtime record, to ensure that the claim is reasonable, before authorising the claim.
[E.mail to be sent to Management Group].