

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

**P1 & P2 AUDIT RECOMMENDATIONS ONLY**

**MAIN ACCOUNTING SYSTEM 2005/06(Follow Up Due May 2006)**

- (P2) That the monitoring of control account reconciliations should be a standard item on the agenda for the regular meetings held with the Senior Accountancy Officers and that the S.151 Officer should be informed of any significant delays in completion of the reconciliations.  
**Implemented from 18.1.06.**

**SUNDRY DEBTORS 2005 06 (Follow Up Due August 2006)**

- (P2) That all departments who issue a service for monies are reminded of the instruction given by the Head of Finance & Business Development and the Head of Customer Services, that all monies due to the Council must be received in advance of the service being delivered unless this is not possible for legal or practicable reasons.”  
**[The Head of Customer Services has agreed to raise this at Managers Group 30/04/06]**
- (P2) That the reconciliations are brought up to date as soon as possible.  
**[As part of End of Year procedures]**
- (P2) That the new Finance & Business Development Technical Officer is given training on how to complete the reconciliations and how to investigate any differences found.
- (P2) That the reason for the difference of £10,533.29 between the brought forward balance on the Sundry Debtors system and the FMS system is investigated.  
**[Year end procedures to establish baseline position for 1 April 2006. Then will introduce new reconciliation procedures to ensure overall position is reconciled.]**
- (P2) That all debtors which are paying by special arrangement are reviewed regularly to ensure that the Sundry Debtors Handbook is being complied with, in particular paragraphs 6.6 and 7.4.6.
- (P2) That all employees who deal with Debtor queries are given view only access to the Debtors system, along with training on how to enquire on the system.
- (P2) The Sundry Debtors Handbook is updated to reflect the new responsibilities for recovery of the debts. This should include direct guidance as to what the individuals within the departments should be doing.  
**[C Boyce has agreed to take the lead on revision of the Handbook, with input on procedures from T Carr (Recovery) and from J Finlay (Accountancy).]**
- (P2) The section of the Sundry Debtors Handbook which deals with the wording of the invoices is extended to cover all types of invoices which are raised by all departments.  
**[Audit will supply details of these].**

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- (P2) **B/fwd from 2003/04 audit we recommended that** all of the people who raise Sundry Debtors invoices are reminded of the need to have the wording on their invoices as given in the guidance in the Handbook.  
**[Some training was undertaken in 2005. Audit to issue a reminder. Further training to be given – see rec.]**
- (P2) That additional training sessions should be held, once the Sundry Debtors Handbook has been updated, for all employees involved in the Sundry Debtors process to ensure that they are all aware of their roles and responsibilities.  
**[The Head of Customer Services has agreed to take the lead on this. Following revision of the Sundry Debtors Handbook.]**
- (P2) That clear written procedures are given to all staff who input their own invoices directly into the Sundry Debtors system.  
**(IMPLEMENTED)**
- (P2) That all staff involved in the raising and recovery of Sundry Debts are given a copy of the Sundry Debtors Handbook.
- (P1) That all employees and managers are reminded of the need to attend Data Protection training courses, where this is relevant to their work.  
**[Further training to be given in 2006/07.]**
- (P2) That a reminder is given to ensure that, whenever the write off forms are signed by both the department and the Head of Finance & Business Development, that they include a date of signing.
- (P2) That only one debtor is included on each write off form. Alternatively, where there are multiple similar write-offs on one form, a schedule should be attached to the write off form giving details of each debt to be written off and the reason for the write off.  
**(IMPLEMENTED)**
- (P2) That the Finance & Business Development staff are reminded to ensure that they keep working papers to support their journals, especially when they are adding various amounts together and putting them through as a lump sum amount on one journal.  
**(IMPLEMENTED)**
- (P2) That, prior to the go live date for the MVM Building Control, it is identified how the invoice data will be extracted from the MVM system and who will be responsible for manual input of Building Control invoices into the Sundry Debtors system, until an automatic download can be implemented.

**COUNCIL TAX 2005 06 (Interim Follow Up Due July 2006)**

- (P2) That a risk assessment analysis is undertaken to identify those properties where documentation relating to discounts is out of date and prioritise properties for review to confirm there is no change of circumstance.  
**[Not possible to undertake in 2005/06 due to lack of staff resources due to the switch to paperless office and the implementation of new systems. The Interim Revenues and Benefits Manager advised the RBS Team Leader not to send the review forms until they can be sent with barcodes from Anite. A programme of reviews to be drawn up and carried out in 2006/07]]**

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- (P2) The RBS Technical Officer amends the Academy system so that all passwords must be changed to a previously unused password every 40 days. All passwords should be set wherever possible to expire automatically if not changed at a predetermined frequency, e.g. after 40 days.  
**(IMPLEMENTED)**
- (P2) In order to maintain an audit trail, all copies of the Building Notifications should be retained to ensure that all completed properties are billed.  
**[To be kept for one year (IMPLEMENTED)]**
- (P2) The reconciliation of Benefits payments with the Council Tax accounts is commenced immediately and performed on a regular basis. The reconciliation of payments which have already been posted should be reconciled as soon as possible.  
**[As recommendation. Now being undertaken by RBS Team Leader [A Spedding]. An imbalance has been identified. Problem has been logged with Academy. Need to resolve and establish start position for 2006/07.]**
- (P2) the Accountancy Services Manager ensures that the reconciliation of Council Tax with the FMS is brought up to date as soon as possible.  
**[Action Plan drawn up. Significant progress made as at 8/3/06.]**
- (P2) In order to maintain separation of duties, all refunds should be authorised by a second employee. Alternatively, spot checks should be made by an independent officer and this check should be evidenced.  
**[To be discussed with A Spedding. Agreed completion date 31/5/06]**
- (P2) That staff are reminded of the need to record the reason for the refund in the appropriate field on the Academy system.  
**[Discovered that this field is not working. Problem logged with Academy to resolve.]**
- (P1) As part of the follow up, audit ensure that the write offs which were pending during the testing have since been correctly authorised in line with Financial Regulations.
- (P2) That procedures are put in place to ensure that the following controls are implemented:
- Clear written procedures for staff  
**[Standard Academy manual for basic processing. Local procedures to be developed]**
  - Supervisors/section heads regularly review and test check work  
**[Benefit elements are checked. Quality checking of the overall account to be addressed on the introduction of generic working]**
  - Voids, write offs and cancellations and other debit reductions are checked by a second officer and such checks evidenced,  
**[Random spot checks to be considered]**
  - Refund vouchers show calculation of and reason for refund, and are checked by a supervisor.  
**[Field not working. Fault logged with Academy to resolve.]**
  - Arrears >£x reported to committee regularly.  
**[Cumulative arrears position to be reviewed, not just the current year's arrears.]**
- (P2) That the Revenues and Benefits Manager ensures that all of her staff attend Data Protection training sessions when they are available.  
**[All staff will attend any training provided by the authority.]**

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**BENEFITS 2005/06 (Follow up due July 2006)**

- (P2) That a second employee checks the parameters in the system to ensure that they are correct.  
**[This year they will be input by the System Support team, checked by their team leader and signed off by the Revenues & Benefits Manager.]**
- (P2) That the Revenues and Benefits Manager ensures that the reconciliations of the Benefits system are commenced and brought up to date as a matter of urgency.  
**[Reconciling on a weekly basis. Have identified an imbalance on Overpayments. Problem logged with Academy.]**
- (P2) That the Accountancy Services Manager ensures that the reconciliation of the Housing Benefits system with the FMS is commenced and brought up to date as a matter of urgency.
- (P2) That the RBS Technical Support Officer recommences the review of the unrepresented cheques listing on a regular basis to see if any can be offset against overpayments. Unrepresented cheques could, in the first instance be checked by the Interventions Officers for non-residency, and only referred to the fraud team if fraud was suspected.  
**[Overpayments Officer to restart checks on unrepresented cheques.]**
- (P2) That the RBS Team Leader regularly prints and reviews the report of Interim payments. All interim payments which have been in payment for longer than 1 month should be investigated.  
**[Reviews now started. Will be totally up to date by year end. Planned weekly thereafter]**
- (P2) That the Revenues & Benefits Manager ensures that the "Batch Processing – Details and Responsibilities" is adhered to and all reports are regularly reviewed.  
**[Initial responsibilities allocated. Will be totally up to date by year end. Full list of tasks and responsibilities currently being reviewed.]**
- (P2) That the Revenues and Benefits Manager ensures that all of her staff attends Data Protection training sessions when they are available.  
**[Reminder to be given at team meetings. Establish when next DP training is planned and pursue whether dedicated customer service-related training can be arranged. 31/3/07]**
- (P2) That the Benefits e-mail group needs to be updated to ensure only current staff are included.  
**[System Support to establish routine for this to happen. 31/3/06]**
- (P2) That training sessions are given to the Recovery team on the basic Benefits system and the Debt Management system to enable them to carry out their role more efficiently and effectively.  
**[Recovery Manager and assistant visited Carlisle to obtain debt management knowledge. This needs to be shared with other recovery staff. Overpayments training to be given. BFI undertaking analysis of processes in May 2006.]**
- (P2) That regular monthly Quality Assurance Meetings are held with both the Team Leaders and the Assessors.

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**[Included as part of Wednesday meetings. At least one per month covers Q.A. This will include top 10 errors, new legislation impacts, new local procedures (aide-memoire). IMPLEMENTED 1<sup>st</sup> quarterly meeting held]**

- (P2) That BVPI's 79 b1, 2 & 3 are manually amended to include any relevant debts in the Sundry Debtors system.

**SALARIES 2005/06 (follow up due July 06)**

- (P2) That a schedule of names should be sent by the Accountancy section to each department, on a consistent yearly basis, to ensure the cost codes are correct, that there are no "ghost" employees and that leavers are not paid following their leave date.
- (P2) That a reminder is given to Management Group for all managers to ensure that holiday cards are returned to the Payroll department prior to the final pay calculation, to ensure that the correct pay is paid.
- (P2) That a reconciliation be carried out between the new SAGE system and the PWA system on an annual basis. [Electronic listings for SAGE will be tested as part of the Wages audit.]
- (P2) That a review of the reports available on Sage be undertaken to see if replication of the existing reports can be done (if still required/used).
- (P2) That, with the changeover onto SAGE, the independent check of the correct salary scales, following the pay award, is carried out before the end of the financial year.

**WAGES 2005/06 (follow up due \*\*\*\*\*)**

- (P2) That IT and Payroll look at the 'View Only' option when version 12 is installed.
- (P2) That a reminder be given to staff of the importance to sign and date timesheets and batch control sheets.
- (P1) that the rolled up holiday pay be itemized as a separate pay element on the SAGE system.
- (P2) That employees involved in the payroll process attend Data Protection training when this is next available.

**SPORTS CENTRE CASH & BANKING**

**Priorities have not been given to the Sports Centre Cash and Banking recommendations as the objective of the audit was to review the various systems involved in the Cash and Banking process and to ensure that all key controls are adequate and being complied with. We also aimed to confirm that income was correctly accounted for prior to the transfer of Leisure to the Leisure Trust.**

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- Rec 1.** That the Daily Cash Reconciliation Sheet (Float Sheet) is signed as evidence that the float has been checked. This protects the receptionist who is handing over the float and helps to prove at what point there was a discrepancy in the event of an insurance claim.
- Rec 2.** That the Duty Officer checks that shorts are recorded and not made up from the float. This only results in creating a short in the float, which will have to be written off in the future.
- Rec 3.** That the Sports Centre Manager updates the Daily Cash Reconciliation Sheet (Float Sheet) to include a section for refunds and a narrative is included on the sheet. The employee and Duty Manager are then signing to confirm the refund as well as to confirm that the Daily Cash Reconciliation Sheet is correct.
- Rec 4.** The Daily Cash Reconciliation Sheets (Float Sheets) are always signed by the Duty Officer, as evidence that the takings have been checked.