

Action Plan

Key Risk Areas and Planned Management Action

Action Point	Issues and Risk Identified	Planned Management Action	Responsible Officer	Target Completion Date
Revenues (Housing Rents, NDR Billing, Council Tax Billing)				
1.	<p>Unidentified income is posted to suspense accounts until it can be identified to the appropriate payer. During the course of our audit, we identified that reconciliations of the unidentified income accounts were not being undertaken on a regular basis.</p> <p>Risk: various sources of income may not be accurately recorded.</p>	Accepted. A monthly review of unidentified income will be undertaken.	Revenues Accountant/ Revenues Manager.	Starting September 2011.
Capital Accounting				
2.	<p>Following our 2009/10 review we were advised that the capital expenditure authorised signatory list for Corporate & Neighbourhood Services would be reviewed (and combined with the revenue expenditure signatory list). We note that the list has not yet been updated.</p> <p>Risk: capital expenditure may not be authorised by appropriate officers.</p>	The current list of Authorised Signatories has been passed to Corporate & Neighbourhood Services, requesting that this is brought up to date. The deadline for return has been stated as 30 th September	Capital Manager	30 September 2011
Treasury Management				
3.	<p>Daily dealing sheets are prepared to identify the council's daily borrowing requirements, based on available cash balances. The sheets provide for the required borrowing level to be authorised by a senior officer. Our review revealed that the majority of the daily dealing sheets selected for testing had not been authorised by a senior manager.</p> <p>Risk : borrowing transactions may be inadequate or unauthorised.</p>	All daily dealing sheets will now be authorised by a senior officer. Staff have been formally advised that this is to be the case	Capital Manager	Ongoing

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Payroll				
4.	<p>Monthly payroll reports are sent to departments for checking and verification that the employee details shown are valid. Services have been instructed to notify the Payroll section of the outcome of these checks to provide assurance that payroll processing is accurate. At the time of our review several services had not notified payroll staff of their outcome for a number of months.</p> <p>Risk: there is a risk that erroneous or fraudulent payments could be made to employees.</p>	<p>As indicated, these reports are issued on a monthly basis. Procedures have been introduced to monitor for confirmation that the reports have been checked and delays in responses are followed up. This has resulted in an improvement in the timescales within which the responses are received. The current procedures will continue to be followed with referral to the Chief Finance Officer where responses are not received.</p>	Payroll Manager	Ongoing
5	<p>During the course of our audit we identified that Payroll staff did not hold up to date signatory lists for some Services. We understand that the Payroll section is introducing a new system for authorised signatories, with a view to this becoming operational later in 2011/12.</p> <p>Risk: in the absence of proper authorisation, erroneous or fraudulent payments could be made .</p>	<p>The work to review the current authorisation lists is at an advanced stage. Some further work is required to complete the update and it is expected that this will be issued with the aim of introducing the new procedures no later than the beginning of 2012.</p>	Payroll Manager	31 January 2012
Accounts Receivable				
6	<p>During the course of our audit we tested 30 accounts raised to ensure they were supported by adequate documentation. We were unable to obtain adequate documentation for 7 of the 30 cases tested, although 3 of these cases related to recurring accounts for residential day costs and we were advised that documentation may date back some years.</p> <p>Risk: there is a risk that there may be erroneous or fraudulent issuing of accounts.</p>	<p>Where invoices are raised by the Services, the back up information is not held by Finance. However, all such supporting documentation should be available from the originating Service and a reminder will be issued to ensure this is retained for spot-checks. Documentation will be available for all residential day costs but as noted, if the care started four or five years ago, the evidence will be in off-site storage. Risk of non-compliance by all services accepted.</p>	Revenues Manager	Ongoing

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7	<p>Amendments to the customer database are actioned through the completion of 'Amend Customer' forms'. Our testing of these forms covered name or address changes and amendment to credit terms and revealed that there is little in the way of evidence to support the amendment. While we acknowledge that many of the changes may be by telephone call, it may be advisable to request written confirmation to ensure that there is documented evidence to support all amendment forms.</p> <p>Risk: erroneous or fraudulent amendments may be made to customer details.</p>	<p>Risk not accepted. Whilst we do request that customers send in written confirmation of a change of name or address, either via email or post, often customers cannot, or are unable to, submit this. We feel that accepting such requests by telephone, given that we have verified who we are speaking to at the start of the call, provides a more efficient service and may help to reduce the number of bills being sent out to the wrong address. We would therefore not propose to take any further action but instead to continue to encourage customers to provide written confirmation.</p>	N/A	N/A
Council Tax				
8	<p>In our 2009/10 internal controls report, management stated that a structured schedule of empty property visits had been introduced. However, during our 2010/11 review, officers were unable to readily identify the number of empty property visits undertaken.</p> <p>Risk: evidence to support the granting of empty property relief may be inadequate.</p>	<p>Records of cases selected for visits are retained and together with the outcomes are recorded on our Electronic Document Management System. These visits are carried out on an appropriate sample of cases who have applied for relief. In all cases the taxpayer signs a declaration to certify that they meet the relevant criteria.</p> <p>However, we did experience an indexing problem which meant we were unable to provide adequate supporting evidence to confirm the number of visits carried out. This has been resolved.</p>	Revenues Manager	Completed.

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Non-Domestic Rates				
9	<p>Two officers in the Revenues section are tasked with undertaking sample checking of non-domestic rate outputs to ensure the appropriateness of processing. At the time of our review, one of the officers' sample checks had not been undertaken.</p> <p>Risk: erroneous input may not be identified and corrected.</p>	<p>Risk that there was a delay in identifying and correcting errors accepted.</p> <p>Staff sickness in the NDR section resulted in a delay in some tasks being carried out which included sample checking. However all checks have been brought up-to-date.</p> <p>Revenues Manager will ensure that quarterly samples are completed within 4 weeks of the end of each quarter.</p>	Rates Officer & Revenues Manager	Ongoing
10	<p>Although officers have recognised the comparison of the number of bills produced at annual billing with the number of properties on the assessment roll, as a key control, they were unable to produce evidence of this reconciliation.</p> <p>Risk: there is a risk of inaccuracies in billing.</p>	<p>Risk accepted.</p> <p>We are able to reconcile the number of properties on the Valuation Roll to the number of properties on the Assessment Roll and then in turn the number of bills produced. This information is available but was not formally noted as having been reconciled. This will be noted in future to show that the reconciliation took place.</p>	Revenues Accountant/ Revenues Manager	Ongoing
Housing Rents				
11	<p>Following our 2009/10 report we were advised that reconciliations between the accumulated values on the rent roll and the gross annual debit in the financial ledger would be carried out monthly and signed. At the time of our 2010/11 review, no reconciliations had been carried out.</p> <p>Risk: inaccuracies in posting rental income to the ledger may not be identified timeously.</p>	<p>Risk accepted.</p> <p>As a result of the implementation of the new IHMS system and rents module on 1/6/11, we planned to undertake a comprehensive review of all the reconciliations completed in respect of rents. The aim is to establish which reconciliations are necessary and to review the frequency of completion. This review has been delayed due to staff sickness.</p>	Revenues Accountant/ Revenues Manager	Review complete by 31 October 2011

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12	<p>We have been advised that sample checking of annual rent increases were undertaken at the start of 2010/11, however officers were unable to produce documentation to evidence the sample checks.</p> <p>Risk: the application of rent increases may be inaccurate.</p>	<p>We carried out checks when the increase was applied in February 2010 and a list of the individual accounts checked is available. We also checked the rent details on all the sample rent bills / increase letters we sent to the printers, however, no further prints were taken in April at account level when we moved into the 2010/11 financial year, although a full global reconciliation was undertaken.</p> <p>We will ensure this documentation is held on file in subsequent years.</p>	Revenues Accountant/ Revenues Manager	February & April 2012 & ongoing
13	<p>A fortnightly reconciliation is undertaken between the benefits awarded per the Housing Benefits system and the amounts processed in the Rent Accounting system. This reconciliation is required to be authorised. We noted that 6 of the reconciliations had not been signed as authorised.</p> <p>Risk: inaccuracies in reconciliations may not be identified.</p>	<p>These checks were always carried out and the reconciliation was properly authorised after each debit raise prior to the system being released. However, the authorised copies were not always kept on file so the supporting evidence was incomplete. Steps have been taken to ensure that all signed copies are kept on file in future.</p>	Revenues Accountant/ Revenues Manager	Ongoing