

Agenda Item No: 9

Report to: Audit Committee

Date of Meeting: 18 January 2012

Report Title: Chief Auditor's Summary Audit and Risk Report

Report By: Tom Davies
Chief Auditor

Purpose of Report

To inform the Audit Committee of recent audit findings of the Hastings Information Centre's Financial Processes audit report

Recommendation(s)

1. That the Audit Committee accepts the report

Reasons for Recommendations

To monitor levels of control in the organisation.

Hastings Information Centre Financial Processes

Summary Reports

Report to the Audit Committee

Audit Conclusion

Overall Audit Assessment: C – Adequate

Some controls in place are adequate but there are audit concerns in some areas.

Key Findings

The systems and controls in place have currently been updated and further controls are being implemented.

The new controls ensure the financial processes are administered effectively and efficiently.

The stock control system, CYBERTILL, has an anomaly within the reports produced which needs to be addressed.

The stock reported in CYBERTILL does not always agree to the physical stock and needs controlled adjustment. This consumes officers' time investigating the variances and adversely impacts on the credibility of any of the information such as for determining what the profitability is on product lines.

CYBERTILL cannot be integrated with the new cash receipting module PAYE.NET without a bespoke piece of software being written, this is likely to be a long process and may not be worthwhile.

Further changes are being planned with the implementation of the Contact Centre.

Management Response

We agree the findings.

Summary of Recommendations

Priority classifications

High = Fundamental System Weakness - Action is Essential

Medium = Potential Control Weakness - Action Required

Low = Advised for Best Practice - these recommendations are given in the Detailed Report only

Recommendation 1

That the CYBERTILL report is investigated and corrected to ensure that the figures reported are accurate.

Priority: High

Target Date: March 2012

Responsible Officer: Contact Centre Manager

Management Comment:

Accepted with reservations. The systems audit trail report enables choice by time and date but the period report parameter used by the Duty Managers is date only and is pre-set to run midnight to midnight – the time stamp on the report is to indicate the time that the report was run. No further problems have been experienced and management believes the report examined by Internal Audit may have been spurious.

Implementation of recommendation 2 below will enable accurate comparison as to whether a control issue exists or not.

Recommendation 2

That regular complete stock takes are carried out and the stock levels on CYBERTILL adjusted in a controlled manner to reflect actual stock held.

Priority: Medium

Target Date: June 2012

Responsible Officer: Contact Centre Manager

Management Comment:

Accepted. Previously, Audit have instructed that stock numbers should not be corrected following a stock take unless there is a consistent discrepancy when the gain or loss may be “written on” or “written off” respectively. Discontinued items have also not been removed for audit trail purposes – these have included unsold tickets for past events. Tickets are generic and can cover up to 3 types of sale – i.e. Adult, Child and Concession. There does not appear any reason for it but Cybertill then shows negative stock following sales.

Internal Audit has been invited and have agreed to be present at the next stock take.

Recommendation 3

That the future of CYBERTILL be considered as it may not be fit for purpose going forward.

Priority: High

Target Date: March 2012

Responsible Officer: Contact Centre Manager

Management Comment:

Accepted. The Contact Centre Project Board has agreed that the Contact Centre Project Manager may review the need for Cybertill in the future balance against functionality and useful purpose against paye.net. Integration of Cybertill and paye.net is likely to be a very onerous process if it possible at all and the review will indicate whether it is worthwhile.

~~~End~~~

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### Wards Affected

None

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### Area(s) Affected

None

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### Policy Implications

Please identify if this report contains any implications for the following:

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|---------------------------------------|-----|
| Equalities and Community Cohesiveness | No  |
| Crime and Fear of Crime (Section 17)  | No  |
| Risk Management                       | Yes |
| Environmental Issues                  | No  |
| Economic/Financial Implications       | Yes |
| Human Rights Act                      | No  |
| Organisational Consequences           | No  |
| Local People's Views                  | No  |

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### Background Information

**Officer to Contact**

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