

Report to: **Audit Committee**

Date of Meeting: **6 July 2023**

Report Title: **Cash and Bank Summary Audit Report**

Report By: **Matt Hoad**
 Group Auditor

Purpose of Report

To inform the Audit Committee of the key findings from the recent audit of Cash and Bank.

Recommendation(s)

1. That the Audit Committee accepts the report.

Reasons for Recommendations

To monitor levels of control within the organisation.

Summary Reports

Report to Audit Committee

Audit Conclusion

Overall Audit Assessment: B – Satisfactory

Most controls are in place and work effectively. Improvements could be made to ensure all accounts controlling cash/cheque transactions are regularly reconciled. Further measures can also be introduced to ensure that car park cash collection discrepancies are reviewed promptly. Additional controls could be implemented to restrict the possibility of unauthorised amendments to the Unit4BW Finance System.

Background

- During the period 1st April 2021 to 31st March 2022, Hastings Borough Council received approximately £169 million from a wide variety of sources including Council Tax, Non-Domestic Rates, government grants, treasury management transactions, external funding, land/property rentals and parking fees.
- In comparison, the Council received approximately £202 million during the 2017/18 financial period. This variance can largely be attributed to reductions in cash flow from:
 - receivable grants;
 - investing activities - such as the proceeds from the sale of property, plant & equipment and the sale of investments;
 - financing activities – including cash receipts from borrowing;
 - the collection of Non-Domestic Rate income.
- Income is received by a number of different service areas and from a variety of payment methods including cash/cheque; card payments at Council offices or via telephone and internet; and deposits directly into the Council's bank account.

Key Findings

- In total, there were 12 recommendations (5 x high importance & 7 x medium).
- The majority of recommendations considered to be of high importance related to the following:
 - Accounts controlling the receipting and depositing of cash/cheque payments, have yet to be reconciled as at 28th February 2023. It is important that control accounts are reconciled regularly, as this provides assurance that all income receipting transactions are matched with an

associated payment into the Council's bank account.

- Discrepancies (during period 01/04/22 to 31/12/22) between cash values recorded on audit tickets produced by the Council's car parking machines and the cash collection records provided by the collection company. The discrepancies could be the result of faulty machines, misleading data from the audit tickets or delays in cash bankings appearing in the Council's bank account. Nevertheless, further investigation by the Finance team has been recommended.
- Recommendations considered to be of medium importance were varied but included the following:
 - Reminders to staff regarding the importance of adhering to the cash-handling policy.
 - Further investigation into whether the Council were notified of a price increase for cash collections at a number of car parking locations within the Borough.

Management Response

Management accepts the findings of the report and will work to implement the recommendations as detailed below.

~~~~~end~~~~~

## Timetable of Next Steps

1. Please include a list of key actions and the scheduled dates for these:

| Action | Key milestone | Due date (provisional) | Responsible |
|--------|---------------|------------------------|-------------|
| -      | -             | -                      | -           |

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### Wards Affected

None.

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### Implications

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

|                                       |     |
|---------------------------------------|-----|
| 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  |
| Anti-Poverty                          | No  |
| Climate Change                        | No  |

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### Additional Information

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### Officer to Contact

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