

Agenda Item No:

Report To: Audit Committee

Date of Meeting: 17 August 2023

Report Title: Cash and Bank Audit Report- Recommendation Implementation

**Report By: Simon Jones
Deputy Chief Finance Officer (DCFO) – Finance**

Key Decision: N

Purpose of Report

This report sets out actions taken by the finance and exchequer team to address the recommendations made in respect of the Cash and Bank Audit Report 2022-23- Final (V2).

Recommendation

1. The Audit Committee note the actions taken and progress made to implement recommendations made in the Cash and Bank Audit Report 2022-23- Final (V2).

Reasons for Recommendations

An internal audit of cash and banking was undertaken with recommendation made.

The report includes agreed timeframes and management comments for implementation of the recommendations.

Background and Summary

1. Internal Audit carried out a review in 2022-23 of Cash and Banking (See Appendix 1: Cash and Bank Audit Report 2022-23 - Final (V2)) activities within all areas of the Council.
2. The report made twelve recommendations, five of which were of high importance and seven of medium importance, with an overall audit assessment rating of 'B' Satisfactory.
3. The cash and bank audit report concluded that most controls are in place and work effectively. The report indicated that improvements could be made to ensure that all accounts, controlling cash/cheque transactions are regularly reconciled, with further measures introduced to ensure that car park cash collection discrepancies are reviewed promptly, and that additional controls could be implemented to restrict the possibility of unauthorised amendments to the Unit4BW Finance System.
4. Constructive and continuous action has been taken to address the recommendations made. (See Appendix 2: Cash and Bank Audit Report 2022-23 – Final (V2) Recommendation Implementation Schedule).

Implementation Progress

5. The cash handling and petty cash policies have been issued, made available and communicated to all staff with a program in place for their update and review. (Addressing recommendations '1', '5' and '6').
6. Five of the recommendations made relate to the reconciliation of control and cash collection accounts (Recommendations '2', '3', '4', '7', and '8'). Additional finance resource has been established and effort is being made to automate the reconciliation process fully or partially for all control accounts. A system has also been established to monitor all expected reconciliations to ensure that they remain up to date.
7. Recommendation '9' was in respect of car park collection unit price increases, which have been investigated and found to be in line with the terms of the contract.
8. Recommendation '10' relates to a historical unallocated receipt balance that was brought forward from the old ledger system, this has now been written back to revenue and the account balanced.
9. Recommendation '11' relates to limiting the number of staff with administrator access to Paye.Net and Unit4BW Finance System. This has been implemented in part, with additional administrative access required in some areas due to practical operational need. Administrative user access is continuously reviewed and will be amended to suit practical operational requirements.
10. The last recommendation, '12' relates to the creation of a formal change request log, to record details of proposed Unit4BW system amendment(s). This was not agreed as it was considered onerous as there is already an agreed process in place to manage amendments to the system.

Assessment of options and officer recommendation

11. None required.

The way forward

12. There will be continuous monitoring and review of cash and control account reconciliations, and staff will be routinely reminded of updates to the cash handling policy, which can be accessed on the Council's intranet.

Risk Management

13. The principal risks are that the Council:

- Income systems are not properly monitored.
- Income transactions are not recorded accurately.
- Finance systems are not promptly updated to reflect transactions credited or debited.
- Current and new staff are not aware of their responsibilities in relation to cash handling.

14. These risks are considered best mitigated by regular reconciliations and monitoring, and the documentation of related policies and procedures that are readily available to all staff.

Legal implications

15. None.

Financial Implications

16. There is a risk that income is over or under reported with an increase in the risk of malfeasance deterrence erosion.

Timetable of Next Steps

17. List of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
N/A	N/A	N/A	N/A

Wards Affected

None

Area(s) Affected.

None

Implications

Relevant project tools applied? Yes

Have you checked this report for plain English and readability? Yes. This has been done as far as possible considering the complex financial issues involved. Flesch-Kincaid grade level 9.8.

Climate change implications considered? N/A

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

Additional Information

Appendix 1: Cash and Bank Audit Report 2022-23 - Final (V2)

Appendix 2: Cash and Bank Audit Report 2022-23 – Final (V2) Recommendation Implementation Schedule

Officer to Contact

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