

DEPARTMENT	AUDIT REVIEW	AUDIT REF
Corporate Services	Creditors	5118006

BACKGROUND

The Accounts Payable System is incorporated within the Authority's Financial Management System 'Agresso'. The Accounts Payable module is controlled centrally by the Payments Section based at County Hall. Payments are also processed on-line by staff based within their respective departments.

SCOPE

The review covered the controls and procedures in operation to assess the extent to which:

- There are adequate controls in place in respect of invoices which are put on hold;
- Systems are in place to ensure credit notes are controlled and actioned appropriately;
- Mechanisms are in place to ensure that duplicate payments are avoided and/or detected;
- Official orders are raised in respect of goods and services, where appropriate.

SUMMARY OF RESULTS

The areas of the Accounts Payable System reviewed by Internal Audit has been consistent and comprehensive in previous years, it was, therefore, agreed that the current Internal Audit review would cover areas that have not previously been reviewed in detail, to include parked invoices, credit balances and non-order payments.

Four issues were identified during the current review; summarised details are as follows:

- Audit testing identified that a significant number of non-order payments had been made in 2018/2019, where it would have been appropriate for an official order to be raised.
- There are no documented procedures, or agreed process, in place for the review of 'parked' invoices.
A review of 'parked' invoices identified that, at the time of the Internal Audit review there were 85 parked invoices, the majority of which were historic and dated back to 2003/2004.
- Duplicate payment checks are undertaken by the Creditor Payments section after each pay run. Testing identified, however, that evidence was not available to demonstrate that duplicate payments had been investigated promptly, or had been followed up following referral to the responsible officers.
- There are no documented procedures in place for the management and administration of credit balances.
A review of credit balances identified that, at the time of the audit, there was in excess of £260k of credit balances, some dating back to 2006, currently held on the system.

NUMBER OF RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	0	Acceptable
Priority 2 – Strengthen Existing Controls	4	
Priority 3 – Minor Issues	0	

DEPARTMENT	AUDIT REVIEW	AUDIT REF
Corporate Services	Housing Benefits	5118004

BACKGROUND

The Housing Benefit section within the Corporate Services department calculates the amount of benefits and reductions which may be awarded to households on low income to help with the cost of paying rent and Council Tax.

During 2018/19 the Authority paid out approximately £65m with an approximate case load of 16,000 Council Tax Reduction (CTR) claims and 11,226 Housing Benefit (HB) claims.

SCOPE

The review considered the procedures and controls in place in the following areas in order to provide assurance that payments are made appropriately:

- Documented procedures are in place and are complied with.
- Adequate documentation is maintained to support claims.
- Accuracy of payments.
- Safeguarding resources.

SUMMARY OF RESULTS

The current procedures relating to the day to day management and administration of Housing Benefits continue to operate to a high standard demonstrating a strong level of control over the processing and management of claims.

From sample testing it was evident that there are robust systems in place with expected key controls established and operating to an appropriate standard to ensure that all relevant information is obtained, and payments made are accurate and timely. In addition, there was evidence of monitoring being undertaken to ensure compliance with procedures and legislation concerning the payment of Housing Benefit, which demonstrates a good control over the function. All the records reviewed were all extremely well maintained with all expected supporting documentation in place.

Two issues were identified during the current review; summarised details are as follows:

- Sample testing identified that for two items the time lapse between the cheques being cancelled on the Housing Benefit System to being written back on the ledger was 7 and 8 months.
- There is a lack of contingency cover in relation to the role of the Fraud Investigation Officer, with only one staff member in the role, reviewing all referrals raised in relation to fraudulent claims.

NUMBER OF RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	0	Acceptable
Priority 2 – Strengthen Existing Controls	2	
Priority 3 – Minor Issues	0	

DEPARTMENT	AUDIT REVIEW	AUDIT REF
Corporate Services	Cash & Bank	5118008

BACKGROUND

The Cash Receipting system handles income paid in at the Authority’s cash desks and also processes all income centrally as a means of updating the Authority’s financial systems. The Authority operates 3 Cash Desks which are based at Carmarthen, Llanelli, and Ammanford. Customers can also pay bills at numerous locations including Post Offices and Barclays Banks.

For the year April 2017 to March 2018, CCC cash desks processed 366,650 transactions to a net income value of £1,308 million.

SCOPE

A review was undertaken of the procedures relating to the Cash Receipting system ensuring that income is secure, banked promptly and completely and accurately recorded. Visits were undertaken at all three of the cash desks – Ammanford, Carmarthen and Llanelli.

SUMMARY OF RESULTS

The current procedures relating to the day to day management and administration of Carmarthenshire’s cash offices continue to operate to a high standard demonstrating a good control over the recording of income.

Comprehensive written procedures have been established which incorporate all daily tasks undertaken by the Cashiers, as well as guidance on other aspects of the role. This has proved beneficial for the training of both current and new employees and provides management with assurance of correct and consistent practices being followed.

Bank reconciliation processes were found to be operating effectively. Daily and monthly bank reconciliations are prepared accurately and in a timely manner. Any types of income unidentified are investigated promptly and precisely.

During the visits undertaken to the cash desks, concerns were identified which might have put staff in a vulnerable position and cash at risk. These concerns included the panic alarms not fully functioning at one cash desk and the appropriateness of the location of safe keys being held, being questionable. It is, however, pleasing to now report that these concerns have since been rectified.

One further issue identified was in relation to the suspense account holding a value of £1,040.57 which related to 3 items dating back to 2017.

NUMBER OF RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	1	Low
Priority 2 – Strengthen Existing Controls	0	
Priority 3 – Minor Issues	1	