

2008/09 Audits to date

Report No 39- 2008/09 – Pest Control

In the opinion of the auditor the control assurance level is **substantial**

The audit brief was to review and document the current procedures regarding the Pest Control Contract.

Upon examination of the contract it was noted that the monthly amounts are payable in arrears however upon examination of the invoices the invoices have always been paid in advance. From discussions with the Head of Waste and Street Scene Services it was established that this issue had already been noted and the contractor had been contacted to make them aware of this. A draft procedure has been produced to record the fact that invoices should be paid in arrears.

R1 Ensure that the monthly invoices regarding the pest control contract are paid in arrears and not in advance. (Medium – Head of Waste & Street Scene Services)

Although the procedure notes are extensive they do need to be updated following the introduction of charges for the treatment of rats and mice and to include the procedure regarding payments being taken over the phone.

R2 Ensure that the procedure notes are reviewed and updated. (Low – Head of Waste & Street Scene Services)

Using the auditing computer tool IDEA two months were randomly selected in order to carry out some testing. With regards to the additional works invoices these are for works carried out for residents in receipt of certain benefits which are free to the resident but rechargeable to the Council, these should be submitted on a monthly basis accompanied by a listing of the jobs that the invoice relates to. This is then checked before payment is paid. There are procedure notes for these processes of which a copy was obtained and held on the audit file.

The listings and invoices for May and August 2008 were obtained and firstly a check was made to ensure that there was a job sheet for each one listed, that it had been marked as paid, had been marked to show that proof of benefit had been seen and that the charge made was correct.

Three job sheets could not be located and for one of these jobs relating to the treatment of fleas payment had been obtained from the customer and the contractor had charged us for the works. However, the customer should of just been referred direct to the contractor as the treatment request was for fleas and the Council should only take payments for the treatment of rats and mice from residents not in receipt of benefits.

With regards to residents not in receipt of any benefits then payment must be made for the treatment of rats and mice direct to the Council before the treatment is carried out by the contractor, the current charge for this is £47 and was effective from 14/04/08. If a resident contacts the Council with regards to the treatment of pests other than rats and mice they are referred to the contractor and must pay them direct.

From the sample checked all payments could be traced with regards to payment for the treatment of rats and mice.

R3 Ensure that a job sheet is completed for all pest control requests and filed accordingly. (Medium – Head of Waste & Street Scene Services)

R4 Ensure that where there is no paperwork that the monthly invoice is queried before payment is made for these particular jobs. (Medium – Head of Waste & Street Scene Services)

The latest Risk Register held on the share drive relating to EHHS Food & Safety Team Activities is dated January 2007. From discussions with the Head of Waste & Street Scene Services he is aware that the Risk Register is due to be amended following the new guidelines on Risk Registers and this task is presently being undertaken.

R5 Ensure that the Risk Register is updated and reviewed on a regular basis. (Low – Head of Waste & Street Scene Services)

Report No 40- 2008/09 – National Performance Indicators

In the opinion of the auditor the control assurance level is **substantial**.

An audit brief was not issued for this audit as the objective was to simply establish if there were sufficient procedures for all of the NPIs and to test a sample of the NPIs to ensure that the figures were accurate and that there was an audit trail.

Procedures could not be obtained for the following NPIs with the lead Services as Housing and Financial Services.

NPI 187 - Tackling fuel poverty - % of people receiving income based benefits living in homes with a low energy efficiency rating.

R1 Ensure that procedures are produced for NPI 187. (Medium – Chief Housing Officer)

NPI 180 – The number of changes of circumstances which effect customers' Housing Benefit/Council Tax Benefit entitlement within the year.

NPI 181 – Time taken to process Housing Benefit/Council Tax Benefit new claims and change events.

It should be noted that with regards to NPI 180 and NPI 181 figures have not yet been produced for this financial year due to IT problems.

R2 Ensure that procedures are produced for NPI 180 and NPI 181 following the resolution of the IT problems in producing the results. (Medium – Principal Benefits Officer)

Report No 41- 2008/09 – Building Control Fees

The audit brief was to audit the controls relating to Building Control Fees, update the system notes and to follow up any recommendations from the previous audit.

This report has not yet been finalised but the draft opinion is **high**.

All of the review work resulted in positive outcomes and there were no recommendations arising from this audit.

Report No 42- 2008/09 – Benefit Fraud

In the opinion of the auditor the control assurance level is **substantial**.

The audit brief was to audit the controls relating to Benefit Fraud Investigations, update the system notes and to follow up any recommendations from the previous audit.

Although there was enough evidence on the fraud files and the investigations were complete full Management checks have not been carried out.

It is the intention of the current SBI to carry out reviews every two months of 100% of fraud cases over three months old. Any cases that are closed before this review will be subject to a full management check before closure. The auditor was shown a recent report that the SBI had produced of all fraud cases over three months old and was in the process of reviewing all the cases with the Fraud Investigators. These reports are going to be kept on a central folder and where a management check has taken place a copy of the check will be kept on the case file.

R1 Ensure that management checks are carried out in accordance with the procedures. (Medium – Senior Benefits Investigator)

R2 Ensure that the working papers that record the management checks that have been completed are kept for future reference. (Low – Senior Benefits Investigator)

On occasions payments are made in advance by Internal Cheque Request. These include payments for Courses sent with a Booking Form and Interim Contractors payments. In order for the payment to be included in the VAT calculations, it is necessary for the payee to either submit a confirmatory VAT invoice or a VAT receipt. During the testing one instance was found where a VAT receipt had not been supplied. Steps were taken to ensure that this was an isolated incident and a request was made for the VAT receipt to be obtained.

R1 Ensure that a record is kept of outstanding Contractor VAT receipts and ensure that these are regularly chased. (Medium) (Exchequer Services)

R2 Ensure that VAT receipts are received for those payments that are made in advance of a VAT invoice being received. (Medium) (Personnel Services)

Report No 44- 2008/09 – Land Charges

In the opinion of the auditor the control assurance level is **High**.

The audit brief was to audit the controls relating to Land Charges, update the system notes and to follow up any recommendations from the previous audit.

All of the tests had a satisfactory outcome and no recommendations arose from this audit.

Report No 45- 2008/09 – Mail Opening (Benefits)

In the opinion of the auditor the control assurance level is **substantial**.

The audit brief was to audit the controls relating to mail opening (benefits), update the system notes and to follow up any recommendations from the previous audit.

The mail opening procedures are held in the central filing system however they were last updated in 2004. The procedures mention staffing however this was not up to date as there are staff from Audit, Revenues and Benefits and Exchequer Section that are now involved.

R1 The procedures require review on a regular basis and dated as such even when there are no changes. (Low Priority – Administrative Officer)

R2 The procedures require amending to include the names of the current staff that are involved. (Low Priority – Administrative Officer)

The room currently used is the clerical assistant's office which is not locked however the door is closed and occasionally people enter if they have a query about something.

R3 It should be considered whether a lock is used on the door to prevent people entering without permission. (Low priority – Administrative Officer)

The area was secure however not totally restricted. The desks and floor areas were clear of personal items. A log is maintained in the valuables diary of who is involved in the mail opening each day with three people, one of which is a supervisor. The Director of Finance came in with some post and two mail opening staff left briefly to collect post.

R4 To comply with best practice, where possible at least two staff should remain in the mail opening area until the procedure is complete. (Low priority – Administrative Officer)

The central post area is locked, requiring staff access cards to open it, the post is then distributed to the various Services unopened. The Finance Post is then opened as per the post opening procedure. As part of the Benefits Audit a sample of valuables from the register were checked for promptness and that they had been returned to their owners – all of which had been promptly sent by recorded delivery. There is no evidence that independent employees periodically check and reconcile the 'valuables' register.

R5 To comply with best practice an independent employee should periodically check and reconcile the valuables register, signing and dating when they do so. (Low priority – Principal Benefits Officer).

When the cash and cheques are delivered to the cashiers there is no register to sign however the cheques are hand delivered in an envelope containing the cheques, a batch control sheet showing the batch number, number of cheques and their total value, together with an add-list. The initials of the mail openers is noted on the sheets but the sheet is not signed by the cashier. The cheques are subsequently posted onto the system by the cashiers and the total amount checked and a receipt printed out. These are subsequently checked by the Exchequer Assistants (Income and Banking). The batch control sheets are then held in a folder and destroyed once the folder is full (approximately monthly).

It was pointed out by the Exchequer Services Manager that currently there is a risk that a batch could go missing which could be resolved by having serially numbered batch control sheets which should one go missing would be alerted to the line manager by the Exchequer Assistant checking them.

R6 The batch control sheets should be serially numbered to provide a better control of the batches. (Low priority – Exchequer Services Manager)

Source: - Internal Audit Reports