

**Interim audit report**

**Thurrock Council**

**Audit 2011/12**

**The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.**

**Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.**

**As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.**

# Contents

<b>Summary report .....</b>	<b>2</b>
Introduction .....	2
Background.....	2
Audit approach.....	2
Main conclusions .....	3
<b>Opinion audit.....</b>	<b>6</b>
Introduction .....	6
Systems .....	7
IT risk assessment.....	15
Reliance on internal audit .....	15
<b>Appendix 1 Action Plan .....</b>	<b>16</b>

# Summary report

## Introduction

1 The Audit Commission's Code of Audit Practice requires me to give an opinion on the Council's annual financial statements. To give my opinion, I need to understand the Council and identify the audit risks and what effect these may have on the financial statements. I am required to plan and perform my work under International Standards on Auditing (UK and Ireland) (ISAs). To meet this requirement I have undertaken an interim audit at the Council.

2 I undertook my interim audit work to comply with ISA (UK&I) 315 which requires that:

**The auditor should obtain an understanding of the entity and its environment, including its internal control, sufficient to identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, and sufficient to design and perform further audit procedures.**

3 I also undertook:

- a programme of testing of certain controls on which I decided I would seek to place reliance for my audit opinion;
- a review of relevant work completed by internal audit and assessed whether I could place reliance on this work; and
- an assessment of the adequacy of the Council's controls over IT.

## Background

4 I complete my audit under the requirements of the Code of Audit Practice, which is a statutory document approved by Parliament.

## Audit approach

5 I completed my interim audit as follows:

- Identifying the risk of material error in the financial statements at the audited body level. This included an assessment of external and internal factors, business risks, financial performance, internal control and any other risks. I based it on existing knowledge, recent Audit Commission guidance, review of agendas and minutes and other key documentation.
- Identifying the risks of material error in the financial statements at the systems level. I have sought to understand and document all the significant financial systems relevant to financial reporting. These systems consist of the procedures and records in place to initiate,

record, process and report the transactions and to maintain accountability for the related assets and liabilities.

- Deciding a testing strategy. My testing strategy is the way in which I seek to get enough assurance on the entries in the financial statements to enable me to form my opinion. This can consist of reliance on controls or substantive testing of figures in the financial statements, or a combination of both. I have to ensure that my testing mitigates the risks of error I identified and previously reported to you in my detailed audit plan.
- Pre-statement testing. Where I am able to get assurance on the financial statements from controls, I test a sample of those controls, placing reliance on internal audit work where possible. Controls testing for general ledger and accounts payable is currently in progress. I will report my findings in relation to these two systems in my annual governance report in September 2012.
- Assessment of the risk of material fraud. Under ISA (UK&I) 240, I am also required to consider and identify throughout my work if there is any risk of material fraud. Fraud encompasses both misappropriation of assets and intentional misstatements within the financial statements (that is deliberate error).

**6** The systems that I identified as having a significant effect on the financial statements are:

- general ledger;
- council tax;
- non-domestic rates;
- accounts receivable;
- accounts payable;
- cash receipting;
- payroll;
- housing benefits;
- housing rents;
- integrated adult services (IAS) income;
- integrated adult services (IAS) expenditure;
- housing repairs;
- treasury management; and
- asset management.

**7** My interim audit work identified individual pieces of internal audit work on which I would seek to place reliance for my opinion work. I reviewed each piece of work to assess whether I could rely on it, as required by ISA (UK&I) 610. I was able to place reliance on internal audit work on the payroll system and I expect to place reliance on internal audit work on the accounts payable and general ledger systems when this work is complete.

## **Main conclusions**

**8** My walk through testing showed that most systems are working as designed. My controls testing has also found that controls are operating

effectively in a number of systems and I am therefore able to place reliance on controls in the following systems:

- council tax
- non-domestic rates
- cash receipting
- payroll
- housing rents.

9 I expect to be able to place reliance on controls in the general ledger (except for journals) and accounts payable system when this work is complete.

10 I have decided it is more efficient to test the following systems substantively:

- housing benefits (because I have to test a big sample for the grant claim)
- treasury management
- asset management.

11 My assessment of the Council's IT control environment concluded that overall it is low risk, and generally IT controls are good.

12 My work did however identify a number of areas for improvement in the Council's systems of internal control. Some of the main weaknesses include arrangements for:

- raising and processing journals;
- evidencing operation of controls within a number of systems (council tax, non domestic rates, accounts receivable, accounts payable, housing rents, adult social care income and expenditure and treasury management);
- approving debtor invoices raised;
- reconciliation between payroll system and general ledger, and completing and approving leaver forms;
- cash and bank reconciliation, including suspense accounts;
- matching work orders with invoices quickly and gaining assurance over completion of housing repair works; and
- reconciling adult social care income and expenditure systems to the general ledger system and other issues relating to adult social care expenditure.

13 As a result of some of these issues, I am unable to place reliance on controls in the following areas, and will undertake substantive testing to gain assurance over these items of account:

- accounts receivable
- integrated adult services (IAS) income;
- integrated adult services (IAS) expenditure;
- housing repairs.

14 A number of the weaknesses I have identified and included in this report have been evident for a number of years and have been included in my previous interim reports. There have however been improvements in controls in some areas, such as the operation of the control within accounts

payable to confirm goods have been received by matching to a goods received note or to authorise to confirm the goods or services have been received. It is important that the Council continues to focus on the areas for improvement identified in this report.

# Opinion audit

## Introduction

**15** I have updated my documentation and understanding of the Council's financial systems listed in paragraph 7. I also undertook a review of the IT control environment. I have brought forward assurance from my two previous audits for a number of systems (accounts receivable, housing rents, cash receipting, council tax, non-domestic rates and some controls within the accounts payable systems). I have undertaken controls testing, relying where possible on internal audit, on the payroll system, which has provided me with the necessary assurance.

**16** Internal audit have not yet concluded their testing of the general ledger and accounts payable systems. Once this is complete I expect to rely on this work.

**17** I have decided that it is more efficient to gain the assurance I require over the asset management, treasury management, housing benefits, integrated adult services (IAS) income and integrated adult services (IAS) expenditure and housing repairs systems from substantive procedures.

**18** My testing has provided me with assurance over the effective operation of controls in a number of areas, as outlined below:

---

Table 1: **Assurance obtained**

Assurances obtained within each system from controls or otherwise

System	Source of assurance for opinion
General ledger	Work still in progress but expect to rely on controls, except for journals
Council tax	Controls assurance, with substantive analytical review to provide further assurance over the total value of bills raised.
Non-domestic rates	Controls assurance, with substantive analytical review to provide further assurance over the total value of bills raised.
Accounts receivable	Substantive due to weaknesses identified
Accounts payable	Work still in progress but expect to rely on controls.
Cash receipting	Controls assurance, with some additional substantive procedure (as required by



System	Source of assurance for opinion
	ISAs).
Payroll	Controls assurance, with some additional substantive procedure (as required by ISAs).
Housing benefits	Substantive testing (this is more efficient as I have to test 80 cases for the grant claim).
Housing rents	Controls assurance, with substantive analytical review to provide further assurance over the total value of rent bills raised.
Integrated adult services (IAS) income	Substantive due to weaknesses identified
Integrated adult services (IAS) expenditure	Substantive due to weaknesses identified
Housing repairs	Substantive due to weaknesses identified
Treasury management	Substantive because it is more efficient
Asset management	Substantive because it is more efficient

*Source: Audit strategy*

**19** My work has also identified a number of weaknesses in controls and areas for improvement, as set out below.

## Systems

### General ledger

**20** My walk through testing identified the Council makes no checks of journal transfers to ensure correct processing within the general ledger. Authorisation of some journals takes place before processing, but there is no check to ensure authorisation of system created journals (Application Desktop Integrator (ADI) journals). Therefore Finance can post journals without the proper authorisation. I have reported this weakness to those charged with governance in previous years. Absence of these checks means that errors may go undetected.

**21** I am unable to conclude on all controls within the general ledger at this stage of my audit, as some controls operate at year-end. I will review these controls during the final accounts audit. In addition, testing of general ledger in year controls is not yet complete. Internal audit are testing this system and have not yet finished their work. Once complete, I expect to rely on their work and will report my findings in my Annual Governance Report in September 2012.

## Recommendation

- R1** Check a sample of journals processed back to supporting documentation to ensure they are accurate and required, and keep evidence of these checks.
- R2** Evidence authorisation of all journals within the Oracle system.
- 

### Council tax and non-domestic rates systems

**22** The Council performs a daily reconciliation of council tax and non-domestic rates cash on the SX3 system to the Paris cash receipting system. However, a second officer does not review this reconciliation, so there is a risk of undetected errors. I have reported this in my previous interim reports.

## Recommendation

- R3** A senior member of staff should check the daily cash reconciliation and evidence this review.
- 

### Accounts receivable

**23** There are no authorisation controls over raising invoices. As a result, to gain assurance for my opinion, I have to test substantively to get assurance over occurrence and accuracy of income. I have reported this issue to those charged with governance for the past three years. This increases the cost of the audit process.

**24** The sundry debt manager spot checks amendments to accounts receivable invoices back to the original amendment forms, but does not evidence the items checked. As a result I am unable to rely on this control. Documenting this check would improve the Council's control environment and would provide more audit assurance.

**25** If there are any amendments to an invoice, the accounts receivable team raise a new invoice and cancel the original within the accounts receivable system. The recipient of the original invoice is not informed of this change. This could lead to overpayments to the Council based on the original and amended invoice.

**26** The Council reconciles the accounts receivable system to the general ledger monthly. The reconciliation reviewed during the walkthrough test showed a difference between the two systems of £10,060 which Finance had not highlighted and explained. This control was therefore not operating effectively.

## Recommendation

- R4** Introduce authorisation controls over raising sundry debtor invoices.
  - R5** Evidence the sample checks made over invoice amendments.
  - R6** Ensure debtor account holders are informed when invoices are amended.
  - R7** Reconcile fully the accounts receivable and the general ledger systems, identifying and explaining all reconciling items and differences.
- 

### Accounts payable

**27** Post room staff confirm the number of cheques to post with the accounts payable team. Accounts payable staff sign off the cheque listing cover sheet as evidence of this control. The walkthrough test indicated that this sign off does not always happen. There is therefore a risk that cheques could go missing between printing and posting.

## Recommendation

- R8** Ensure the accounts payable staff sign the cheque listing cover sheet to confirm the number of cheques to post has been agreed with the post room.
- 

### Cash receipting system

**28** Officers reconcile the cash receipting system to bankings each day and unidentified items are posted to a suspense account. On 24 November 2011, the cash received suspense account balance stood at £74 million. Finance and the Cashiers department need to clear this balance regularly to ensure such large balances do not accumulate, as they are more difficult to clear and therefore present a risk to the Council. I will review the balance on this account as part of my audit of the Council's 2011/12 accounts.

The Council's bank reconciliation is complex. Officers do reconcile the cash receipting system to the bank statement. The Council does not have a cash book within the general ledger, which is a control in operation at most authorities. The general ledger does include a series of control codes for cash, but these are not included within the bank reconciliation and our review indicated they do not generally have a nil balance, as would be expected for a control code. I was unable to walkthrough the 2011/12 bank reconciliation as Finance had not performed an up-to-date reconciliation when I did my testing. I will review the year end reconciliation as part of the final accounts audit. I have also reported these issues in previous years.

## Recommendation

- R9** Clear suspense balances regularly.
- R10** Undertake a monthly bank reconciliation on a timely basis. Ensure cash control codes are either nil balance or form part of the bank reconciliation.
- 

### Payroll system

- 29** The Council reconciles monthly period to date figures in the payroll system (Delphi) to the general ledger. However this reconciliation does not include cumulative staff costs (year to date figures) between the two systems. As a result this does not provide assurance over all staff costs within the general ledger system during the year.
- 30** I have tested controls within this system in 2011/12. I have relied on the work of internal audit where possible. I note that internal audit found that not all leavers have a leaver form. This raises the risk of human resources or payroll removing a leaver from the payroll system based on incomplete and inaccurate information.

## Recommendation

- R11** Reconcile year to date staff costs between the payroll system and the general ledger on a monthly basis.
- R12** Complete a leaver form for all leavers and ensure payroll or human resources remove a leaver from the payroll system based on the details within the leaver form.
- 

### Housing rents system

- 31** The Council performs checks to ensure the rent increase in the accounts agrees to source documentation for a sample of 100 rent accounts within the live rent account system. However, the housing rents team does not keep evidence of this check, so I am unable to rely on this control. In addition, the rent calculation is not checked as part of this work, so it does not provide assurance the rent increase figure is correctly calculated. An external consultant calculates the rent increases for the rent accounts, but there are no checks made on these calculations.

## Recommendation

- R13** Keep evidence of rent increases checks and include within this check verification that the rent increase calculated by the external consultant is correct.
-

## Housing repairs system

**32** As Members will be aware, there have been a number of problems with the operation and management of the contract for the housing repairs service during 2011/12. The work we have undertaken for the purposes of obtaining assurance over the material accuracy of the housing repairs figures in the accounts has also identified a number of weaknesses in control, as outlined below.

**33** The Council approves each housing repair to be done by Morrison, but Morrison can perform additional work on each approved job up to the value of £350 without further authorisation from the Council. There is therefore a risk that additional work that is undertaken may not be necessary in the Council's view.

**34** The Council runs a report to show work orders not completed by the relevant deadline. This is shared with the Council's contractors and used to follow up progress on late work. In the past, the Council has sent a customer satisfaction card for all work orders. Because staff time has been focused on the manual checking of the monthly spreadsheets of completed jobs (as referred to below) and the backlog of this work, the Council has not run this report during much of 2011/12 and has therefore not followed up progress on late work. Customer satisfaction cards have also not been issued for work orders during 2011/12. The Council has therefore not been able to record the results of the customer satisfaction within its database and has not been able to consistently follow up on reported dissatisfaction.

**35** The Council performs post inspections of housing repairs and runs outstanding post inspection reports twice a week. Because of staff pressures referred to above, these reports have not been run regularly and inspections have not been carried out where they are due. In addition, the Council does not always record and assess the results of these inspections. The current controls do not therefore provide assurance the Council is only paying for services it is receiving or that tenant needs are being met.

**36** Morrison does not issue individual invoices for each job completed, and instead submit a monthly spreadsheet of all jobs completed. The client team reviews the spreadsheet and matches it to work orders to ensure that amounts within the spreadsheet are correct and are approved based on the work order, before entering the details on the Saffron system. During 2011/12, the spreadsheet returns were not submitted to the Council regularly, which has led to a backlog of returns not matched to work orders. By May 2012, the Council had only processed returns for April to September 2011. During this period, the Council has continued to pay Morrison based on proportions of the total contract value. As a result, there is the risk the Council may be over or under paying Morrison. Also there is a risk that the accounts for 2011/12 may not contain the correct value for housing repairs as expenditure under the Housing Revenue Account or capitalised expenditure within the balance sheet. This backlog of work has also had an impact on other areas such as key performance indicators (KPIs), as there

is no resource to produce this data which is key to managing the performance of the service to the Council and its tenants.

### Recommendation

- R14** Review and approve a sample of additional work performed by Morrison.
  - R15** Run the work order not completed report on a regular basis and follow up uncompleted jobs with contractors.
  - R16** Send customer satisfaction cards for work completed.
  - R17** Perform post inspection of completed repair work before paying invoices, therefore providing assurance that external contractors are performing work to a satisfactory standard.
  - R18** Match job returns from Morrisons to the work orders on a timely basis.
  - R19** Calculate an accrual based on actual activity to date to include in the financial statements for the months included in the backlog.
- 

### Integrated adult services (IAS) income system

- 37** My review of the IAS income system (Controcc) indicates that inadequate controls are in place to provide assurance over completeness, cut off and classification.
- 38** The Council performs a spot check of debtor balances and finance calculations, but keeps no evidence of these checks. I am therefore unable to rely on this control.
- 39** The IAS income system interfaces with the accounts receivable module within the Oracle system through a feeder file. However, there is no reconciliation of the feeder file to the general ledger to ensure that all data from the feeder file has transferred to the general ledger correctly and completely. Also, there is no reconciliation to show the total within the IAS system transfers fully into the Oracle system.
- 40** I have reported this issues in my previous interim reports.

### Recommendation

- R20** Keep evidence to show spot checks completed on debtor balances and finance calculations.
  - R21** Reconcile the Controcc feeder file to the accounts receivable system
  - R22** Reconcile the IAS income system to the Oracle general ledger
-

## Recommendation

system at least quarterly.

---

### Integrated adult services (IAS) expenditure system

**41** The IAS expenditure system (Controcc) interfaces with the accounts payable module within the Oracle system through a feeder file. However, there is no reconciliation of the feeder file to the general ledger to ensure that all data from the feeder file has transferred to the general ledger correctly and completely. Also there has been no reconciliation of expenditure for the year between Controcc and the general ledger.

**42** There are inadequate controls over the separation of duties covering the input of contract details. The IT bids team is responsible for posting contract details based on details approved by the head of service. However, where the Council has not finalised the contract details, including the contract value, the IT bids team can enter a zero contract value. The commissioning team can enter the contract value later without head of service approval.

**43** The IT bid team, commissioning staff and finance can all make changes to contracts within the Controcc system. No control exists to check changes made to the system to ensure they are legitimate. This increases the risk of unauthorised or inaccurate changes.

**44** Managers are responsible for telling the IT bids team of staff working with Controcc who leave the Council's employment. However, managers do not always tell the IT bids team to remove access to the IAS system when staff leave. My testing found the IT bids team had removed a leaver from IAS based on attending their leaving event, rather than formal notification. This creates a risk of the IT bids team removing leavers from the system without clear audit evidence. The IT bids team also rely on bounced back emails to tell them of leavers. This is not an adequate system, as this would not identify staff that have moved to another department within the Council and therefore no longer require access to IAS.

**45** An officer undertakes spot checks on invoices and batches to confirm the amounts adjusted are correct. However, no evidence is kept to show which or how many items are subject to spot checks. I am therefore not able to rely on this control.

**46** The Council requests returns from clients receiving direct payments to evidence they are spending the direct payment. Our testing identified cases where the payment is unspent and returns are not consistent with the supporting evidence but the Council still makes the direct payments. The Council has stated that it is not normal practice to check in detail returns to supporting evidence provided other than to perform a reasonableness check.

**47** I have reported the above issues in my interim reports in previous years.

**48** I identified through the walk through test that IAS users make changes within the IAS system without retaining sufficient evidence and audit trail. In the walkthrough case, the claimant had been noted as deceased on IAS but there was insufficient evidence of the information source to support this change.

## Recommendation

- R23** Reconcile the Controcc feeder file to the accounts payable system.
  - R24** Reconcile cumulative expenditure shown in the Controcc system to the Oracle general ledger system at least quarterly.
  - R25** Put in place appropriate separation of duties to ensure the head of service approves contract prices and the IT bids team input the prices.
  - R26** Restrict the number of staff who have access to Controcc to change contract prices.
  - R27** Spot check a sample of changes made to contract prices and care packages to ensure they are valid, and keep evidence of these checks.
  - R28** Inform the IT bids team of staff leaving in advance so they can deactivate IT accounts promptly.
  - R29** Keep evidence of spot checks completed when authorising invoice batches.
  - R30** Check returns from clients receiving direct payments back to supporting evidence and follow up cases where large bank balances build up.
  - R31** Document evidence within the IAS system which supports the changes posted within the system.
- 

## Treasury management

**49** The loans and leasing officer agrees entries on the treasury management (Logotech) system to the investment and borrowing statement for bank investments and borrowings. As there is no evidence of this check I am unable to rely on this control. This issue was also reported last year.

**50** The Council reviews the daily cash flow spreadsheet to indicate the available cash balance to invest. My walk through identified that the balance for 22 December 2011 was incorrectly recorded in the spreadsheet and did not agree to the daily cash sheet. If balances entered in the spreadsheet are incorrect this does not provide an accurate cash balance on which to base decisions over borrowing and investment.



## Recommendation

**R32** The loans and leasing officer should sign the investment and borrowing statement to evidence agreement of the contents of the statement back to the Logotech system.

**R33** Check cash entries in the daily cash flow spreadsheet so the available cash balance is correctly stated.

---

### Other systems

**51** I have no issues to report from my work on the asset management and the housing benefits systems. I am unable to test the asset management system as part of my interim work as the Council only updates the fixed asset register at year end.

### IT risk assessment

**52** I have completed a risk assessment of the Council's IT environment to assess the likelihood of IT failures affecting the reliability of the Council's financial statements. The IT service is outsourced to Vertex, but the Council does not request a formal third-party assurance over security standards at Vertex. I have therefore considered the Vertex controls as part of my assessment of the ICT service.

**53** Overall, IT controls are good, which is consistent with my reported findings in 2010/11.

**54** The Council has implemented an upgrade to the general ledger, Oracle and has developed a revised chart of accounts. Internal audit are reviewing this change and once concluded I intend to rely on their work. I will report my findings in the Annual Governance Report in September 2012.

### Reliance on internal audit

**55** Internal audit have reviewed the payroll system. I was able to rely fully on this work. Internal audit are reviewing the general ledger and accounts payable systems. Once they have concluded their work I expect to rely on it. I will report my findings in the Annual Governance Report in September 2012.

# Appendix 1 Action Plan

## Recommendations

### Recommendation 1

Check a sample of journals processed back to supporting documentation to ensure they are accurate and required, and keep evidence of these checks.

**Responsibility**

**Priority**

**Date**

**Comments**

### Recommendation 2

Evidence authorisation of all journals within the Oracle system.

**Responsibility**

**Priority**

**Date**

**Comments**

### Recommendation 3

A senior member of staff should check the daily cash reconciliation and evidence this review.

**Responsibility**

**Priority**

**Date**

**Comments**

### Recommendation 4

Introduce authorisation controls over raising sundry debtor invoices.

**Responsibility**

**Priority**

**Date**

**Comments**

### Recommendation 5

Evidence the sample checks made over invoice amendments.

**Responsibility**

**Priority**

Date

---

Comments

---

**Recommendation 6**

Ensure debtor account holders are informed when invoices are amended.

---

Responsibility

---

Priority

---

Date

---

Comments

---

**Recommendation 7**

Reconcile fully the accounts receivable and the general ledger systems, identifying and explaining all reconciling items and differences.

---

Responsibility

---

Priority

---

Date

---

Comments

---

**Recommendation 8**

Ensure the accounts payable staff sign the cheque listing cover sheet to confirm the number of cheques to post has been agreed with the post room.

---

Responsibility

---

Priority

---

Date

---

Comments

---

**Recommendation 9**

Clear suspense balances regularly.

---

Responsibility

---

Priority

---

Date

---

Comments

---

**Recommendation 10**

Undertake a monthly bank reconciliation on a timely basis. Ensure cash control codes are either nil balance or form part of the bank reconciliation.

---

Responsibility

---

Priority

---

Date

---

Comments

---

### Recommendation 11

Reconcile year to date staff costs between the payroll system and the general ledger on a monthly basis.

**Responsibility**

**Priority**

**Date**

**Comments**

### Recommendation 12

Complete a leaver form for all leavers and ensure payroll or human resources remove a leaver from the payroll system based on the details within the leaver form.

**Responsibility**

**Priority**

**Date**

**Comments**

### Recommendation 13

Keep evidence of rent increases checks and include within this check verification that the rent increase calculated by the external consultant is correct.

**Responsibility**

**Priority**

**Date**

**Comments**

### Recommendation 14

Review and approve a sample of additional work performed by Morrison.

**Responsibility**

**Priority**

**Date**

**Comments**

### Recommendation 15

Run the work order not completed report on a regular basis and follow up uncompleted jobs with contractors.

**Responsibility**

**Priority**

**Date**

**Comments**

### Recommendation 16

---

Send customer satisfaction cards for work completed.

---

**Responsibility**

---

**Priority**

---

**Date**

---

**Comments**

**Recommendation 17**

Perform post inspection of completed repair work before paying invoices, therefore providing assurance that external contractors are performing work to a satisfactory standard.

---

**Responsibility**

---

**Priority**

---

**Date**

---

**Comments**

**Recommendation 18**

Match job returns from Morrisons to the work orders on a timely basis.

---

**Responsibility**

---

**Priority**

---

**Date**

---

**Comments**

**Recommendation 19**

Calculate an accrual based on actual activity to date to include in the financial statements for the months included in the backlog.

---

**Responsibility**

---

**Priority**

---

**Date**

---

**Comments**

**Recommendation 20**

Keep evidence to show spot checks completed on debtor balances and finance calculations.

---

**Responsibility**

---

**Priority**

---

**Date**

---

**Comments**

**Recommendation 21**

Reconcile the Controcc feeder file to the accounts receivable system

---

**Responsibility**

---

**Priority**

---

**Date**

---

**Comments**

**Recommendation 22**

Reconcile the IAS income system to the Oracle general ledger system at least quarterly.

---

**Responsibility**

---

**Priority**

---

**Date**

---

**Comments**

**Recommendation 23**

Reconcile the Controcc feeder file to the accounts payable system.

---

**Responsibility**

---

**Priority**

---

**Date**

---

**Comments**

**Recommendation 24**

Reconcile cumulative expenditure shown in the Controcc system to the Oracle general ledger system at least quarterly.

---

**Responsibility**

---

**Priority**

---

**Date**

---

**Comments**

**Recommendation 25**

Put in place appropriate separation of duties to ensure the head of service approves contract prices and the IT bids team input the prices.

---

**Responsibility**

---

**Priority**

---

**Date**

---

**Comments**

**Recommendation 26**

Restrict the number of staff who have access to Controcc to change contract prices.

---

**Responsibility**

---

**Priority**

---

**Date**

---

**Comments**

### Recommendation 27

Spot check a sample of changes made to contract prices and care packages to ensure they are valid, and keep evidence of these checks.

**Responsibility**

**Priority**

**Date**

**Comments**

### Recommendation 28

Inform the IT bids team of staff leaving in advance so they can deactivate IT accounts promptly.

**Responsibility**

**Priority**

**Date**

**Comments**

### Recommendation 29

Keep evidence of spot checks completed when authorising invoice batches.

**Responsibility**

**Priority**

**Date**

**Comments**

### Recommendation 30

Check returns from clients receiving direct payments back to supporting evidence and follow up cases where large bank balances build up.

**Responsibility**

**Priority**

**Date**

**Comments**

### Recommendation 31

Document evidence within the IAS system which supports the changes posted within the system.

**Responsibility**

**Priority**

**Date**

**Comments**

### Recommendation 32

The loans and leasing officer should sign the investment and borrowing statement to evidence agreement of the contents of the statement back to the Logotech system.

<b>Responsibility</b>	
<b>Priority</b>	
<b>Date</b>	
<b>Comments</b>	

**Recommendation 33**

Check cash entries in the daily cash flow spreadsheet so the available cash balance is correctly stated.

<b>Responsibility</b>	
<b>Priority</b>	
<b>Date</b>	
<b>Comments</b>	