



Internal Audit Report

To: Head of Finance
Subject: Cash Receipting – Land Charges Section
Audit report reference: GBC 36 – 4 (of 7)
Date: February 2005

Control objective 1: Secure arrangements exist for the collection and recording of income collected by Land Charges section.			
Risk: Income may be misappropriated			
Expected control	Audit findings	Expected control met	Audit recommendation and management response, officer responsible and date for implementation
1.1 Income is only collected and handled by authorised officers.	Income is collected by staff in the Land Registry Office. This was confirmed by observation and discussion.	Yes	
1.2 Official receipts are issued for all cash and cheques collected. Receipt details include the following: date, payer, description, account reference, FMS code, amount / VAT details and receipt number.	No individual receipts are issued for income collected; one Miscellaneous Income Receipt is issued for the full day's income, when the income is banked at the Civic Cashiers office.	Yes	
1.3 Income collected relates to approved charges of the Authority.	The income relates to charges set by the Authority for Local Land Searches. Observation and discussion confirmed this.	Yes	

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1.4 The duties of cash collection and cash reconciliation are subject to appropriate separation of duties.	There is limited separation of duties due to the small number of staff who work in the section. However, the income is recorded by the Administration Officers in the Land Charges office and receipted by the cashier in the Cash Office. There is no reconciliation of the income collected and the income banked. See 1.5 below	Yes	
1.5 Regular reconciliations are carried out between income collected and the accounting records in FMS.	There are no reconciliations carried out of the income collected to FMS records.	No	Reconciliations should be carried out on a monthly basis of the income collected to FMS. (Low Risk) <u>Response of the Head of Legal and Democratic Services</u> Agreed <u>Officer Responsible</u> Senior Admin Officer <u>Date for Implementation</u> Immediately
1.6 Income is handled and transferred securely.	Income is only transferred within the Civic Building. Observation and discussion confirmed this.	Yes	
1.7 Income is held securely prior to being transferred or being paid into the bank.	Income is kept in the office, not in a secure/locked manner.	No	All income should be kept in a secure manner. (Medium Risk) <u>Response of the Head of Legal and Democratic Services</u> Agreed Cheques are kept in a locked draw <u>Officer Responsible</u> Senior Admin Officer <u>Date for Implementation</u> Immediately

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1.8 All income is banked promptly with the cashier or, where appropriate, to the Authority's bank account.	Income is banked on the day of receipt; observation and discussion confirmed this. Also checking the official receipts issued on a daily basis to the records of searches completed for a week in September.	Yes	
1.9 Personal cheques are not encashed.	Income is not used to cash personal cheques. However, there are no written procedures issued to staff to prohibit the encashment of personnel cheques.	Yes	
1.10 An adequate audit trail exists to record the transfer of cash between departments and officers.	There is a limited but adequate audit trail for the transfer of income, as the cash is only transferred from the Land Charges office to the Cashier for banking where an official receipt is issued.	Yes	
1.11 Official receipts are controlled effectively.	The Civic Centre Cash Office issues the receipts when the days banking takes place. On the occasion of an individual visiting the Section with a payment a hand written receipt is issued. Receipt books are held in a drawer.	Yes	