



Internal Audit Report

To: Head of Finance
Subject: Cash Receipting - Personnel and Organisational Development
Audit report reference: GBC 36 – 5 (of 7)
Date: February 2005

Control objective 1: Secure arrangements exist for the collection and recording of income collected by Personnel and Organisational Development.			
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Risk:	Income may be misappropriated.
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Expected control	Audit findings	Expected control met	Audit recommendation <i>and management response, officer responsible and date for implementation</i>
1.1 Income is only collected and handled by authorised officers.	Income is collected by the staff in the Personnel and Organisational Administration Office.	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.	<p>After collection, the income it is taken to the Civic Centre Cash Office where an official receipt is issued.</p> <p>This was confirmed by checking all the collections made in the financial year 2004/05 to the date of the audit visit.</p>	Yes	
1.3 Income collected relates to approved charges of the Authority.	The income collected relates to charges set by the authority. These charges are noted on the circulation sheet.	Yes	

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1.4 The duties of cash collection and cash reconciliation are subject to appropriate separation of duties.	The Administration Officer collects the income with signatures from other officers. She then passes it through to the cash office, to be processed and issued with an official receipt by a Gedling Borough Council cashier.	Yes	
1.5 Regular reconciliations are carried out between income collected and the accounting records in FMS.	There is no reconciliation of the income collected and the income banked. This is considered to be acceptable due to both the low value and nature of the income collected, which is for telephone, fax and internet usage.	N/A	
1.6 Income is handled and transferred securely.	Income is only moved within the Civic Centre. Observation and discussion confirmed this.	Yes	
1.7 Income is held securely prior to being transferred or being paid into the bank.	Income is banked promptly on the completion of its collection processing.	Yes	
1.8 All income is banked promptly with the cashier or, where appropriate, to the Authority's bank account.	All income is transferred to the cash office within the Civic Centre as soon as possible for banking into the Authority's bank account. This was confirmed by observation and discussion.	Yes	

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Expected control	Audit findings	Expected control met	Audit recommendation and management response, officer responsible and date for implementation
1.9 Personal cheques are not encashed.	Where cash is received, it would not be used to cash personal cheques, discussion and observation confirmed this.	Yes	
1.10 An adequate audit trail exists to record the transfer of cash between departments and officers.	There is an adequate signed audit trail for the transfer of income between officers and departments. This was checked during the testing in 1.2.	Yes	
1.11 Official receipts are controlled effectively.	Official miscellaneous income receipts are used to record this income. These receipts are issued by the Cash Office and are attached to the relevant collection sheet.	Yes	