

**Internal Audit Report**

**To:** Head of Finance  
**Subject:** Cash Receipting - Planning and Environment  
**Audit report reference:** GBC 36 – 6 (of 7)  
**Date:** February 2005

<b>Control objective 1: Secure arrangements exist for the collection and recording of income collected by Planning and Environment</b>			
<b>Risk: Income may be misappropriated</b>			
<b>Expected control</b>	<b>Audit findings</b>	<b>Expected control met</b>	<b>Audit recommendation and management response, officer responsible and date for implementation</b>
1.1 Income is only collected and handled by authorised officers.	Officers in the Planning and Environment Office collect their mail from the main office in the Civic Centre. This may contain income, from the mailroom and the 'One-Stop-Shop' in the Civic Centre. This was confirmed by observation and discussion.	<b>Yes</b>	
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.	A hand written receipt is raised for all income received in the office. This is attached to the paper work and passed to the Officer dealing with the enquiry. Observation and the checking of one day's income and the August reconciliation's confirmed this.	<b>Yes</b>	
1.3 Income collected relates to approved charges of the Authority.	The income collected relates to charges set by the authority for Licensing, Planning permission and Building Regulation charges.	<b>Yes</b>	
1.4 The duties of cash collection and cash reconciliation are subject to appropriate separation of duties.	The Finance Administration Assistant, who has no contact with the mail or the processing of the income, carries out this reconciliation each month. The collection, opening and receipting of the mail is carried out by one of four members of staff in the General Office, according to the rota.	<b>Yes</b>	

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1.5 Regular reconciliations are carried out between income collected and the accounting records in FMS.	There is a monthly reconciliation of the income collected with the income banked. The reconciliations from April 2004 were checked to ensure they had been completed. The August reconciliation was checked to ensure that it was correct and had been completed.	<b>Yes</b>	
1.6 Income is handled and transferred securely.	Income is only moved within the Civic Centre, observation and discussion confirmed this.	<b>Yes</b>	
1.7 Income is held securely prior to being transferred or being paid into the bank.	Income is banked after the days receipting and recording of income has been completed.  This was confirmed by observation and discussion.	<b>Yes</b>	
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. Observation and discussion confirmed this.	<b>Yes</b>	
1.9 Personal cheques are not encashed.	Where cash is received, it would not be used to cash personal cheques.  This was confirmed by observation and discussion.	<b>Yes</b>	
1.10 An adequate audit trail exists to record the transfer of cash between departments and officers.	There is a signed record of the transfer of income between officers which provides an adequate audit trail.	<b>Yes</b>	

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1.11 Official receipts are controlled effectively.	<p>The official hand written receipt books are held in a lockable cupboard, within the Planning Environment General Office.</p> <p>The Finance Department only issues receipt books upon receipt of a signature.</p> <p>The total days banking is receipted on a miscellaneous receipt, which is kept with the daily cash sheet.</p>	<b>Yes</b>	