Interim report: 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	Sean Clark
Priority	Medium
Date	July
Comments	This was carried out for closing but not for the rest of the year. I shall agree parameters with the Audit Commission in terms of sample size and amounts.
Recommendation 2	
Evidence authorisation of all journals within the Oracle system.	
Responsibility	Sean Clark
Priority	N/A
Date	N/A
Comments	As in previous years this was not carried out but reliance placed on the accountancy staff that action the journals. Discussion required with the Audit Commission on way forward.
Recommendation 3	
A senior member of staff should check the daily cash reconciliation and evidence this review.	
Responsibility	Frank Gardiner
Priority	High
Date	August
Comments	Officers need to review this process as currently carried out monthly and not formally reviewed by a senior Member of staff but assurance obtained as fundamental part of the Bank Reconciliation process. Frequency will be increased and formal review introduced.
Recommendation 4	

Introduce authorisation controls over raising sundry debtor invoices.

Responsibility	Corporate Finance/ Serco – L Porter
Priority	Low
Date	1st November 2012
Comments	The authorisation controls would need to be considered within the originating department. This recommendation will be reviewed following the outcome of the Audit of accounts.

Recommendation 5

Evidence the sample checks made over invoice amendments.

Responsibility	Serco – L Porter
Priority	Medium
Date	August 2012
Comments	Further discussion is required to understand the requirements here. Current practice is that every amendment that is input and then sent for signing by the client is returned and 100% are checked and approved by a senior member of staff. Once these are checked and approved they are stamped confirming they have been checked, they are then passed to a second person to verify the figures input are the same as authorised.

Recommendation 6

Ensure debtor account holders are informed when invoices are amended.

Responsibility	Serco – L Porter
Priority	Medium
Date	August 12
Comments	Current Oracle functionality does not provide the facility to advise debtors when invoices are amended. The feasibility of a technical amendment will be investigated; alternatively however this will need to be a manual solution. Once the options are clearer the business case for implementation will need to be assessed against any evidence of issues being caused.

Recommendation 7

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

Responsibility	Finance/TBC
Priority	TBC
Date	TBC
Comments	AR is reconciled every month and variances are extremely rare. [Further management comments are required].

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	Carol Ford
Priority	High
Date	5/07/12
Comments	Agreed – Control checks will undertaken to ensure the process is enforced

Recommendation 9

Clear suspense balances regularly.

Responsibility	Frank Gardiner
Priority	Medium
Date	Ongoing
Comments	The cash suspense balances are reviewed on a daily basis and transactions cleared when identifiable. The large balance identified in the report would mainly be linked to Investment Returns or Borrowings that will have been identified for Treasury purposes through daily treasury activity in any case.

Recommendation 10

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

Responsibility	Frank Gardiner
Priority	High
Date	July
Comments	Completion of the bank reconciliation was, on occasions, delayed in the second half of the year due to the increased and significant work required of the relevant officers on the 2010/11 final accounts. This is completed on a more timely basis again now.

Recommendation 11

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

Responsibility	Sean Clark/Serco
Priority	Medium
Date	August
Comments	Monthly changes are verified in the general ledger system already and any other interface requirement outside of this that impacts on the GL would be identified through the bank reconciliation process so it is difficult to see any benefit in this recommendation. Additionally, the payroll system will be fully integrated from September/October of this year and this will resolve the auditor's concerns.

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	Serco
Priority	Complete
Date	June 2012
Comments	The current process is that once HRO are advised that an employee is leaving, a HRO will then send the manager a leaver's form which needs to be completed and returned for processing.
	The leaver's process and the completion of leaver's forms by managers is a concern as HR is reliant on managers informing them that an employee is leaving.
	Payroll will produce a summary of the overpayment value i.e. the cost to the Council due to late notification of leavers. The summary will be broken down to show impact across the Council. The Senior HR Advisors will produce this at the DMT meetings in order for cascade to managers.
	Further to this and in order to try to ensure managers are retuning leaver's forms in time a standard email will be produced to accompany the leavers form advising the managers of the dates the form must be submitted by and the implications if the form is submitted late and the risk of overpayment.

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	Housing

Priority	
Date	
Comments	

Recommendation 14

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

Responsibility	Housing
Priority	TBC
Date	TBC
Comments	TBC

Recommendation 15

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

Responsibility	Housing
Priority	TBC
Date	TBC
Comments	TBC

Recommendation 16

Send customer satisfaction cards for work completed.

Responsibility	Housing
Priority	TBC
Date	TBC
Comments	TBC

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	Housing
Priority	TBC
Date	TBC
Comments	TBC

Recommendation 18

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

Responsibility	Housing

Priority	TBC
Date	TBC
Comments	TBC

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	Housing
Priority	TBC
Date	TBC
Comments	TBC

Recommendation 20

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

Responsibility	Serco/Customer Finance – Ian Kennard
Priority	High
Date	July 12
Comments	Agreed. Process to be reviewed in line with recommendations.

Recommendation 21

Reconcile the Controcc feeder file to the accounts receivable system

Responsibility	Frank Gardiner
Priority	Medium
Date	Ongoing
Comments	This was carried out throughout the year but timing was affected by the late closure of the 2010/11 accounts.

Recommendation 22

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

Responsibility	Frank Gardiner
Priority	Medium
Date	Ongoing
Comments	This was carried out throughout the year but timing was affected by the late closure of the 2010/11 accounts.

Recommendation 23

Reconcile the Controcc feeder file to the accounts payable system.

Responsibility	Serco/Customer Finance – Ian Kennard
Priority	High
Date	July 12
Comments	The reconciliation process will be reviewed in line with this recommendation

Recommendation 24

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

Responsibility	Frank Gardiner
Priority	Medium
Date	Ongoing
Comments	This was carried out throughout the year but timing was affected by the late closure of the 2010/11 accounts.

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	Adisha Kariyawasam
Priority	High
Date	Ongoing
Comments	Head of Service approve budget commitments on a weekly basis at present via the approval of the panel spreadsheets. Should further approval be needed Head of Service can sign off individual placement agreements for residential placements as well as signing off the contract agreement

Recommendation 26

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

Responsibility	Adisha Kariyawasam
Priority	High
Date	Ongoing
Comments	To Facilitate the purpose of read only access to Controcc for commissioning admin.

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	Contracts & Commissioning Dawn Wakeling

Priority	Medium
Date	Ongoing
Comments	This can be done by the BIDS team if a report is run monthly to see all changes in prices uploaded to CONTROCC

Recommendation 28

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

Responsibility	Adisha Kariyawasam/Dawn Wakeling
Priority	High
Date	Ongoing
Comments	Agreed – Emails to be sent to BIDS to confirm when staff are leaving

Recommendation 29

Keep evidence of spot checks completed when authorising invoice batches.

Responsibility	Serco/Customer Finance – Ian Kennard
Priority	Medium
Date	July 12
Comments	All invoices and batches are reviewed prior to sending as daily working practice and these are then entered on to a spreadsheet, evidence of this process will be kept.

Recommendation 30

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

Responsibility	Serco/Customer Finance – Ian Kennard
Priority	High
Date	July 12
Comments	This is currently monitored and where a large bank balance is building up then the relevant social worker is notified to address the matter. This process will be reviewed against the issue raised.

Recommendation 31

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

Responsibility	Contracts & Commissioning Dawn Wakeling
Priority	Medium
Date	July

Comments	All paperwork sent confirming costings of placements are uploaded into the documents area of IAS. Case notes also made when packages of care are agreed at panel.

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.

Responsibility	Chris Buckley
Priority	Medium
Date	July
Comments	Discuss with the Audit Commission the detailed requirements

Recommendation 33

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

Responsibility	Frank Gardiner
Priority	High
Date	July
Comments	In the main this is done. We have recognised this as a time of both annual leave requirements and 2010/11 accounts pressures. The action here is to review cover arrangements.