

DEPARTMENT RESOURCES	AUDIT REVIEW Banking	AUDIT REF 4115014
PLANNED DAYS 8	ACTUAL DAYS 8	Frequency of Audit ANNUAL

BACKGROUND

The Authority’s main banking arrangements are now managed by Barclays Bank having moved from Santander. In the transition period there are accounts currently open with both Barclays Bank and Santander. The majority of Santander accounts have been closed or are in the process of being closed. The remaining Santander accounts are income accounts in order to enable establishments to undertake banking at the Post Office.

SCOPE

The review covered the controls and procedures in place for the management and administration of cheques and banking to assess the extent to which the Authority’s Financial Procedure Rules are being fully complied with and adequate controls exist over banking arrangements which include bank reconciliations, monitoring of standing orders/direct debits, effective security of cheques and payments of urgent cheques. A review of four main issues was carried out which included:

- the administration of cheques such as cheque ordering, receipt of new stock, reconciliation of cheques and receipt of returned cheques;
- the reconciliation of the Authority’s Bank accounts;
- the administration and reconciliation of Standing Orders and Direct Debits;
- bank mandates

SUMMARY OF RESULTS

The review of the systems and procedures associated with the Cheques and Banking System had previously been assessed as being of low risk to the Authority due to the fact there were no significant issues identified during previous Internal Audit reviews.

It is pleasing to report that procedures adopted continue to be undertaken to a high standard demonstrating a good control over banking arrangements including the security of cheques.

As a result the risk to the Authority remains as low.

NUMBER OF RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	None	High
Priority 2 – Strengthen Existing Controls	None	
Priority 3 – Minor Issues	None	

DEPARTMENT RESOURCES	AUDIT REVIEW Cash Receipting	AUDIT REF 4115013
PLANNED DAYS 8	ACTUAL DAYS 8	Frequency of Audit ANNUAL
BACKGROUND		
<p>The Cash Receipting system handles income paid in at the Authority's cash desks and also processes income centrally as a means of updating the Authority's financial systems. The Authority operates four Cash Desks which are based at Carmarthen, Llanelli, Llandeilo and Ammanford. Customers can pay bills at numerous locations including Post Offices, Barclays Banks and the Authority's cash desks. The Authority has also entered into a partnership agreement with Ceredigion County Council, who accept and process income for this Authority at their Llandysul office.</p>		
SCOPE		
<p>The purpose of the Audit was to ensure that the Cash Receipting system is adequately controlled and complies with Financial Procedure Rules.</p> <p>A review was undertaken of the procedures relating to the cash receipting system ensuring that income was secure, banked promptly and completely and accurately recorded. Three cash desks were visited and reviewed.</p>		
GENERAL OPINION		
<p>The review of Cash Receipting was assessed as medium risk to the Authority during the audit planning process due to the level of income received via the cash desk on an annual basis.</p> <p>Whilst the Authority's banking arrangements have recently changed, procedures adopted continue to be undertaken to an acceptable standard demonstrating a good control over the security, banking and recording of income. A couple of issues were identified and need to be addressed in order to achieved an overall 'high assurance level, action plans have been agreed.</p>		
NUMBER OF RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	None	Acceptable
Priority 2 – Strengthen Existing Controls	1	
Priority 3 – Minor Issues	1	