

## Recommendations in Certification of claims and returns 2010/11

| Recommendation  | Agreed Action   | Date for Implementation | Progress to date/current position  | Responsible Officer                     |
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| <p>Housing and Council Tax Benefit Scheme: The Authority should undertake further quality control checks aimed at minimising errors on backdated claims</p> | <p>The Authority will continue to undertake quality control checks: this forms part of the Authority's statutory 10% checking of the contractors decisions.</p> | <p>Ongoing</p>          | <p>Checks are in place as agreed.</p> <p>These are quality control checks undertaken by the Council's Revenues and Benefits Client Team who will, on a sample basis, review</p> <p>a) the date of HB claim to make sure it has been recorded correctly and</p> <p>b) the reasons why backdating has been awarded to ensure that 'good cause' has been shown for a claimant's failure to claim at an earlier date.</p> <p>However, it should be noted that although the accurate reporting of 'backdated' claims is useful for monitoring purposes, processing errors identified by the audit do not have any negative financial consequences for claimants or the authority.</p> | <p>Jon West, Senior Finance Manager</p> |

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| <p>Housing and Council Tax Benefit Scheme: The Authority should continue to monitor regulated tenancies cases to ensure that their incorrect identification on Academy does not re-occur</p> | <p>The Authority will continue to monitor regulated tenancies cases to ensure they are correctly identified on Academy</p> | <p>Ongoing</p>            | <p>Monitoring of HB claims is in place as agreed to ensure incorrectly recorded cases continue to be identified and corrected.</p> <p>Monitoring takes the form of quality control checks undertaken by the Council's Revenues and Benefits Client Team who will, on a sample basis, review the classification of a claimant's tenancy to ensure it is being recorded correctly.</p> <p>In this case, this means checking that only tenancies created before 1989 have been classified as regulated tenancies.</p> <p>It is worth noting that although the accurate recording of regulated tenancies is useful for monitoring purposes, they are rare and any classification errors identified by the audit do not have any negative financial consequences for claimants or the authority.</p> | <p>Jon West, Senior Finance Manager</p> |
| <p>The Authority should ensure that Officers responsible for preparing returns are provided with sufficient guidance and</p>   | <p>The Officers involved in the preparation and review of the Pooling of Capital Receipts</p>                              | <p>Completed May 2012</p> | <p>By May 2012, the Officers involved in the preparation and review of the Pooling of Capital Receipts Return had read all relevant guidance in</p>   | <p>Clair Sharratt – Finance Manager</p> |

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| <p>training in grant scheme terms and conditions. Internal review should be undertaken by Officers with appropriate expertise and knowledge of the scheme.</p>            | <p>Return have accessed detailed guidance on the relevant terms, conditions and regulations.</p> <p>The Officers will apply the knowledge and expertise gained in the preparation and review of the 2011/12 return</p> | <p>30 June 2012</p> | <p>advance of completing the 2011/12 return.</p> <p>This was completed by June 2012.</p>   |                                      |
| <p>The Authority should ensure that a complete audit trail is maintained as evidence that contracts are let in accordance with the relevant procurement requirements.</p> | <p>The External Funding Team will liaise with Project Managers to ensure that a complete audit trail is maintained in future.</p>  | <p>30 June 2012</p> | <p>Financial Regulations have been revised to reflect the need for Project Managers to follow procurement rules and ensure that all grant documentation is retained.</p> <p>A check list for completion by Project Managers of documents required to support and substantiate each grant claim submitted was issued by 30 June 2012. Project Managers are now required to complete a declaration that procurement rules have been followed and documentation retained.</p> | <p>Andy Morton – Finance Manager</p> |

**Recommendations in External Audit Annual Governance Report 2011/12 relating to reconciliations**

| Description of weakness   | Management action reported at the time   | Current Position  |
|---|--|---|
| <p>Completion of the bank reconciliations for the Credit Clearing bank account which as at 5 July 2012 had not been completed since the October 2011 month end.</p> | <p>Officers were aware that this reconciliation was behind schedule, due to the loss of experienced staff. The November and December 2011 reconciliations were completed by July 2012 and Officers hope to complete the 2011/12 year end reconciliation by September 2012.</p> | <p>The majority of payments to the Council are paid into a "Credit Clearing Account" at the Bank. However up to 30,000 transactions per year do not contain sufficient information to enable them to be recorded to the correct place: i.e. to council tax, business rates, sundry debt income, benefit repayments, grant payments, sale of assets, etc. Also some payments are for more than one amount due and this presents difficulties in terms of disaggregation and allocation.</p> <p>The Income Management system (AIM) that was introduced in November 2012 will allocate payments in the general ledger but those "unallocated payments" are held in a control account and are periodically reconciled to the amounts left in the "Credit Clearing Account" at the bank.</p> <p>However the real task is to clear these amounts to zero by identifying the nature of the payment and to allocate</p> |

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|   |  | <p>this to the correct place. To assist in this, a review has been carried out with external advice to identify the reconciliation requirements and to recommend improvements in the process. As a result, the formal reconciliations process has been reinstated and is now routinely followed (on a monthly basis).</p> <p>Regular meetings are taking place involving the team responsible for bank reconciliation and the team responsible for the income management system so that unallocated payment issues can be resolved. Further work will be undertaken to review the operation of AIM and to identify system improvements to automate the process as far as possible.</p> |
| <p>Reconciliation of the Council Tax and Business Rate systems to the general ledger. Neither system was reconciled during 2011/12.</p> | <p>Officers have prepared 2011/12 year end reconciliations for both systems.</p> | <p>During 2012/13 a monthly reconciliation of the Council Tax system has been prepared for the period October 2012 to February 2013 and a year-end reconciliation is to be prepared, as per the Closedown timetable, by 10th April 2013.</p>   |

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|   |   | <p>A monthly reconciliation of the NNDR system has also been prepared over the same period with discrepancies, which are currently being investigated. Again, a year-end reconciliation will be prepared by 10th April 2013.</p>  |
| <p>Council Officers complete test checks over purchase ledger masterfile amendments. These checks were not promptly performed during 2011/12, being about two months behind schedule at times during the years.</p> | <p>Officers assigned additional resources and succeeded in getting the checks up to date for the end of May 2012. However we understand that further staffing losses in the 2012 summer restructure has meant that the timetable has slipped again.</p> <p>During 2012/13 the Council is implementing a new supplier portal as part of its e-procurement package. We understand that this portal will remove the need for this check.</p> | <p>Regular test checks on masterfile amendments are being carried out within the Financial Systems &amp; Support Team. No issues have been identified as part of the checks.</p> <p>This will continue until the MyBuy system has been introduced when the management of the Council's purchase to pay arrangements become the responsibility of Commercial Services.</p> |