

INTERNAL AUDIT SUMMARY REPORT

ESTABLISHMENT AUDIT – GENERAL OFFICES

1. INTRODUCTION

- 1.1. This audit was carried out in line with the Internal Audit Plan 2019/20, and in full consultation with operational staff and management.
- 1.2. The scope of the audit was to determine the effectiveness of the internal controls within General Offices to cover the day to day operations in areas such as:
 - Ordering and Receipt of Goods
 - Petty Cash
 - Inventory
 - Security of Assets
 - Budget Monitoring
 - Bookings
 - Income Collection
- 1.3. The audit was conducted by the Audit Apprentice and Senior Auditor and took the form of a series of detailed tests and checks, together with discussions with operational staff and managers.

2. SUMMARY OF FINDINGS

- 2.1. 15 weaknesses were identified during the audit, of which 11 were classified as High Risk, 3 weaknesses were classified as Medium Risk and 1 weakness was classified as Low Risk. The areas involving the High Risk weaknesses were:
 - There are a high number of staff that have access to the safe.
Agreed action: A risk assessment to be undertaken to ensure that the number of staff who have access to the safe is appropriate.
 - Income must be recorded accurately and be supported by appropriate documentation.
Agreed action: New Saturday Standard Operating Procedures (SOP's) to be drafted and emailed to all staff who cover and copy kept on reception for them. SOP's will be communicated to all appropriate staff.
 - The Manager who is independent to the collection of income, had not authorised all of the cash denomination slips to confirm the income had been collected.
Agreed action: The recording, reconciliation and banking of income will be completed by a minimum of two staff. The authorisation and oversight will be signed by the manager.
 - The till receipts and the supporting documentation were not reconciled prior to income being recorded on the miscellaneous slip for banking.
Agreed action: This is now recorded on sheet and also receipt. Authorised by two staff as well as manager where possible.
 - Imbalances were not being recorded and authorised by the Manager.
Agreed actions: This is now recorded on both cash denomination sheet and receipt and amounts highlighted.
 - There was no confirmation that the total of the float is accurate.

Agreed action: The float will be marked as checked once completed.
Business support to be reminded of processes and requirements.

- The booking form does not provide for it to be dated or signed.

Agreed action: Current booking form to be amended.

- A journal had not been made for one booking.

Agreed Action: Business Support to monitor and review work for accuracy more closely.

- One order had been raised retrospectively.

Agreed action: Orders will be raised on the purchasing system prior to the invoice date.

- Payment had not been paid within 30 days.

Agreed action: Purchase orders will be raised on the system accurately as to avoid late payments.

- Stock records were not maintained for the tuckshop/café.

Agreed action: Stock collection sheet that is used to collect stock daily. This will be adapted to detail daily sales.

3. CONCLUSION

3.1. The Audit Report is produced on an exception basis consequently the only points made are where weaknesses have been identified. The samples chosen would not be able to cover every transaction or eventuality; therefore, reliance is placed in part on the information and explanations provided by the appropriate officers.

3.2. The General Offices Facilities Manager agreed to implement actions for the weaknesses identified.

4. INTERNAL CONTROL STANDARD GRADING

4.1. In accordance with the standard gradings, the systems examined indicate that a number of weaknesses have been identified that require appropriate actions to be implemented. The grading is therefore assessed as **'Limited Assurance'**.