

Area of Review	Income Management
Level of Assurance	<p>Satisfactory</p> <p>Satisfactory assurance can be given when there is generally a sound system of internal control in place with only minor lapses, and in general objectives are being achieved.</p>
<p>Objectives of Review</p> <ol style="list-style-type: none"> 1. To ensure that policies and procedures in place for the collection and banking of income and are fit for purpose. 2. That income is properly accounted for 3. To ensure that maximum use is made of online payments. 4. To ensure that the contract for the delivery of the service is adequately resourced and organisational changes regarding the move to an off site is management effectively. 	
<p>Key Findings</p> <p>Control Objective 1: To ensure that policies and procedures in place for collection and banking of income and are fit for purpose.</p> <ul style="list-style-type: none"> ➤ The council has established a number of policies and procedures in respect of income management which continue to be fit for purpose. ➤ Financial Regulations are in place, however they are dated march 2013 and whilst the content may still be valid, they do need to be reviewed to reflect the current structure of the council. ➤ Desktop instructions are in place for the cash office. ➤ Since the departure of the officer formerly responsible for the Cash Office there has been a number of temporary staff provided by Capita. ➤ Anti-fraud and corruption policies and procedures remain in place and training is provided to HDC staff. ➤ Insurance cover is in place and is adequate in respect of cash handling. <p>Control Objective 2: To ensure that income is properly accounted for.</p> <ul style="list-style-type: none"> ➤ Security over access to the Cash Office remains robust. ➤ Separation of duties is maintained between the receipt, recording, banking and reconciliation of income. ➤ There is up-to-date and ongoing reconciliation of income received, banked and accounted for in the Financial Information Management System (FIMS) (Integra) ➤ Testing performed during this audit confirmed that income was properly accounted for and banked in a complete, accurate and timely manner. Suspense accounts are monitored and addressed on an ongoing basis. <p>Control Objective 3: To ensure that maximum use is made of online payments.</p> <ul style="list-style-type: none"> ➤ Work performed during this audit confirmed that the council continues to seek to maximise the use of online payments. 	

Control Objective 4: To ensure that the contract for the delivery of the service is adequately resourced

- The back office function for cashiering is currently resourced by agency staff supported by onsite Capita Finance.
- This option is not ideal and is being used for the short term prior to the function being moved to Mendip or potentially Havant.
- The Council needs to obtain assurance from Capita that the the plan to move the function to an off-site location is effectively managed and communicated to all services that have regular contact with the Cash Office.
- The planned transition also needs to provide assurance that income will continue to be properly received and accounted for in a timely manner

Action Plan

	Action to be Taken	Management Response	Risk	Responsible Officer	Target Date
1	Financial Regulations should be updated to reflect the current structure of the council.	Agreed.	Medium	Head of Corporate Services	July 2019
2	Capita to provide a transition plan on how the back office function will be transferred off-site, once Pay360 has gone live.	A Working Group has been set up by Capita to look at options available. Once the most appropriate option has been agreed, a plan will be agreed with the Council on how to move function off site.	Medium	Head of Financial Services (Capita)	January 2019