

# Hinckley and Bosworth Borough Council – finance continuous auditing

January 2018

## Quarter 2 control testing results

Key Controls	Control description	Tested	Q1	Q2	Q3	Q4	Control design issues identified	Operating effectiveness issues identified
<b>Changes to Suppliers</b>	A report is generated before the payment run which outlines all of the changes made in supplier details. The report is then reviewed.	5 weekly reports					None identified	None identified
<b>Bank Reconciliations</b>	A reconciliation is performed which reconciles the external bank account to the general ledger system.	2 months from Q2					None identified	None identified
<b>Payroll Reconciliations</b>	A reconciliation is performed which reconciles the general ledger system to the payroll system.	2 months from Q2					None identified	Non identified
<b>Council Tax Reconciliations</b>	A reconciliation is performed which reconciles the general ledger system to the Council Tax system and cashbook.	2 months from Q2					None identified	None identified
<b>NNDR Reconciliations</b>	A reconciliation is performed which reconciles the general ledger system to the NNDR system and cashbook.	2 months from Q2					None identified	None identified
<b>Housing Rent Reconciliations</b>	A reconciliation is performed which reconciles the general ledger system to the housing rent system and cashbook.	2 months from Q2					None identified	None identified
<b>Creditors Reconciliations</b>	A reconciliation is performed which reconciles the general ledger system to the creditors sub ledger.	2 months from Q2					None identified	None identified
<b>Debtors Reconciliations</b>	A reconciliation is performed which reconciles the general ledger system to the debtors sub ledger.	2 months from Q2					None identified	None identified
<b>Reconciliation sign off</b>	A log of all reconciliations performed in the month is signed off by the Finance Manager	2 months from Q2					None identified	There are discrepancies between the dates recorded on the reconciliation sign off sheet and the actual reconciliations reviewed.
<b>Invoice Payment</b>	We have performed data analysis to consider where invoices have been raised without an associated purchase order. See insight report below.	All invoices paid in Q2						

\* Date of review taken from reconciliation sign off sheet to confirm timelines.

Continuous auditing performed in line with the Terms of Reference agreed with the Section 151 Officer in July 2017.

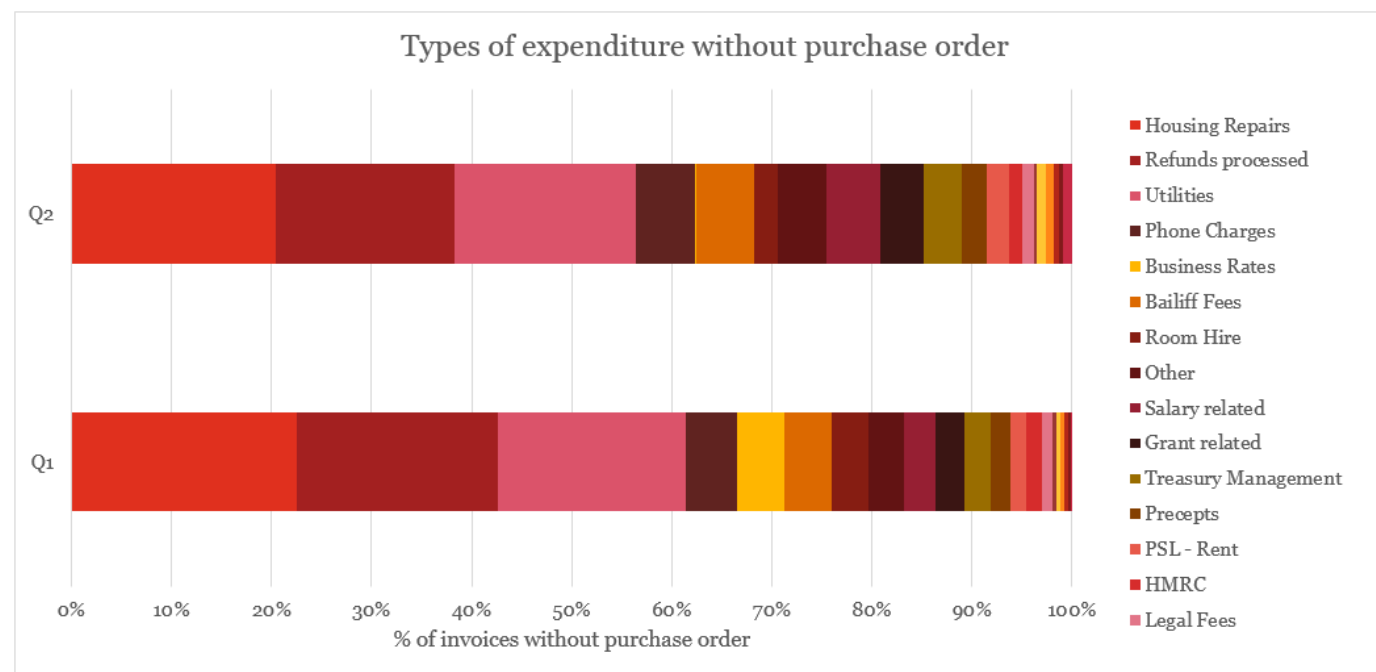
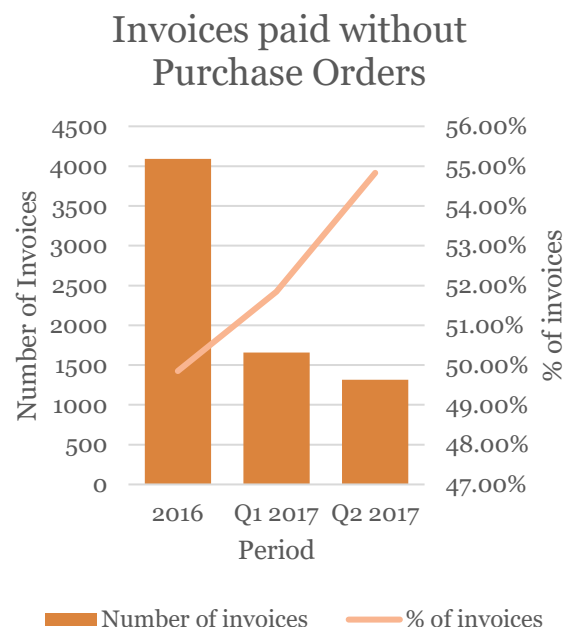
Key	
<b>Purple</b>	No issues identified
<b>Green</b>	Minor issues identified
<b>Amber</b>	Some issues identified
<b>Red</b>	Significant issues identified

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## Insight report

January 2018

Our prior year finance internal audit report reported from our data analysis that a significant number of invoices were paid without having a purchase order recorded against them. We reported in our last finance continuous auditing report that we were working with officers to review the reporting functionality in order to monitor this on an ongoing basis. We have now obtained the relevant information and have continued to monitor the number of transactions paid without a purchase order, which has identified the following for Q1 and Q2.



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