



Internal Audit Report  
Housing & Community Care  
Finance & Support Services  
Comfort Funds 12-10  
May 2013

## Final Report

Chief Executive's Service  
Finance Division  
Perth & Kinross Council  
2 High Street  
Perth PH1 5PH



## Background and Introduction

This assignment forms part of the Internal Audit plan for 2012/2013 as approved by the Audit Sub-Committee on 27th March 2012.

Comforts Funds are defined in Housing & Community Care's Admin Manual as funds raised on behalf of an establishment, such as a residential home or day centre. These funds are to be used for the benefit of individual clients connected with that establishment. While the Council is not directly responsible for the administration or preparation and audit of the accounts of such funds, the Depute Director, Housing & Community Care requires adequate control to be exercised over such funds, as detailed in the Admin Manual.

## Acknowledgements

Internal Audit acknowledges with thanks the co-operation of the Housing and Community Care Finance & Support Services.

## Control Objectives and Opinions

This section describes the purpose of the audit and summarises the results. A 'control objective' is a management objective that requires the maintenance of adequate and effective internal controls to ensure that it is achieved. Each control objective has been given a rating describing, on the basis of the audit work done, the actual strength of the internal controls found to be in place. Areas of good or poor practice are described where appropriate.

Control Objective: To ensure that arrangements and procedures in place for the control of Comfort Funds are adequate and appropriate.	
Auditor's Comments: The audit confirmed that the arrangements and procedures in place for the control of Comfort Funds are generally adequate and appropriate. However the Housing and Community Care Comfort Funds Procedures would benefit from being updated.	
Strength of Internal Controls:	Moderately strong

## Management Action and Follow-Up

Responsibility for the maintenance of adequate and effective internal controls rests with management.

Where the audit has identified areas where a response by management is required, these are listed in Appendix 1, along with an indication of the importance of each 'action point'. Appendix 2 describes these action points in more detail, and records the action plan that has been developed by management in response to each point.

It is management's responsibility to ensure that the action plan presented in this report is achievable and appropriate to the circumstances. Where a decision is taken not to act in response to this report, it is the responsibility of management to assess and accept the risks arising from non-implementation.

## Internal Audit Report

Achievement of the action plan is monitored through Internal Audit's 'follow up' arrangements.

Management should ensure that the relevant risk profiles are reviewed and updated where necessary to take account of the contents of Internal Audit reports. The completeness of risk profiles will be examined as part of Internal Audit's normal planned work.

### Feedback

Internal Audit welcomes feedback from management, in connection with this audit or with the Internal Audit service in general.

### Distribution

This report has been distributed to:

B Malone, Chief Executive

D Burke, Executive Director (Housing and Community Care)

J Walker, Depute Director, Housing and Community Care

J Symon, Head of Finance

A Taylor, Head of Finance & Support Services (Housing & Community Care)

N Copland, Business & Resources Manager (Housing & Community Care)

G Taylor, Head of Democratic Services

P Dickson, Complaints & Governance Officer

External Audit

### Authorisation

The auditor for this assignment is M Morrison. The supervising auditor is J Clark.

This report is authorised for issue:

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Jacqueline Clark  
Chief Internal Auditor  
Date: 23 May 2013

Appendix 1: Summary of Action Points

No.	Action Point	Risk/Importance
1	Admin Manual and Internal Control Checklist	Low
2	Wording of Audit Certificate	Low



## Appendix 2: Action Plan

### Action Point 1- Admin Manual and Internal Control Checklist

Internal Audit confirmed that the arrangements and procedures in place for the control of Comfort Funds, as documented in the Admin Manual, are adequate and appropriate. However there is scope for enhancing the clarity of the manual and also the Internal Control Checklist to ensure that it mirrors the manual more closely.

### Management Action Plan

The Admin Manual and Internal Control Checklist will be reviewed and updated as appropriate.

Importance:	Low
Responsible Officer:	N Copland, Business & Resources Manager
Lead Service:	Housing and Community Care
Date for Completion (Month / Year):	30 September 2013
Required Evidence of Completion:	Revised Admin Manual approved by HCC SMT and published on Eric

### Auditor's Comments

Satisfactory

## Action Point 2 – Wording of Audit Certificate

The Admin Manual requires that comfort funds must be certified by an independent person. However, the wording on the standard audit certificate template doesn't detail the checks that have been carried out or inform the certifier who to contact if they require guidance or have any concerns regarding the certification process.

## Management Action Plan

The standard Audit Certificate template will be amended to strengthen checks carried out by the Independent Person.

In the event of the auditor having concerns regarding Comfort Fund transactions/ records these should be raised with the Manager of the Unit/Complex in the first instance. The Admin Manual will be updated accordingly and published in the next 6 monthly update.

Importance:	Low
Responsible Officer:	N Copland, Business & Resources Manager
Lead Service:	Housing and Community Care
Date for Completion (Month / Year):	30 September 2013
Required Evidence of Completion:	Updated Admin Manual approved by HCC SMT and published on ERIC

## Auditor's Comments

Satisfactory