



**Amenity Funds 2013-14**  
**City of York Council**  
**Internal Audit Report**

Service Area: Adults, Commissioning, Provision and Modernisation  
Service Manager: Group Manager  
Date Issued: 10/01/2014  
Status: Final  
Reference: 11750/002

## Summary and Overall Conclusions

### Introduction

The 2012/13 audit plan set down that amenity funds at elderly persons homes would be audited by Veritau on a rolling basis. As part of this programme, the amenity funds at Oakhaven and Morrell House were audited during 2013/14. It is anticipated that funds in the other homes will be audited in future years.

### Objectives and Scope of the Audit

The main purpose of the audit was to review a selection of Amenity Funds within the council's Elderly Persons Homes to ensure that adequate controls are in place to safeguard residents' money from loss or misuse. The review of the funds covered the following areas:

- Bank account and bank reconciliations
- Income
- Expenditure

### Findings

At both establishments:

- A float system is not in operation. This resulted in very high (up to £443) and very low (£7) cash balances during the last year. Income was being added to the cash tin rather than being banked intact.
- There were not enough bank signatories available to sign cheques due to staff leaving their post or being on long term sick leave.
- There were no procedure notes at either establishment detailing how amenity funds should be managed. This has lead to a number of control weaknesses and inconsistencies in the operation of amenity funds.

At Oakhaven:

- XX.
- The description for expenditure items in amenity fund records was not always adequate. For example trips to the local cafe or pub didn't record which residents went on these trips.
- XX XXXXXXXX.
- No records of authorisation were maintained for items of cash expenditure.

At Morrell House:

- When fund reconciliations have required amendments to be made to records, no explanations for differences were recorded.

### Overall Conclusions

Although a number of weaknesses were identified during the audit, testing also confirmed that the nature of the expenditure was reasonable, receipts were present to support transactions and that the amount of money in the cash tins matched the amenity fund records.

Therefore, overall it was found that the arrangements for managing risk were satisfactory with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made. Our overall opinion of the controls within the system at the time of the audit was that they provided **Moderate Assurance**.

### **Actions required**

Annex 1 gives details of the agreed actions to deal with the findings raised during the audit.

# Annex 1

Agreed Action	Responsible Officer	Timescale
Managers at EPHs will be asked about the value and frequency of transactions that go through their amenity funds. A decision will then be taken as to an appropriate level of the float for amenity funds at EPHs which will take into account the risk of too much money being stored in the safe against then need to pay for items of expenditure from the fund. The recommended level of the float will be included in the updated guidelines which will be published in January 2014. In future all income will be banked separately rather than being added to the float.	Group Manager	31 January 2014
A review of signatories across EPHs is being undertaken to identify the signatories for each amenity fund. Four signatories for each establishment will be included on the bank mandate which will include the administrator of the amenity fund, the manager at the EPH, the Group Manager plus one other person. Bank signatories who have left the council will be removed from the bank mandate.	Group Manager	31 March 2014
The guidance document for amenity funds dated 2001 will be reviewed and updated. This will then be agreed by the Directorate Management Team and issued to all EPHs.	Group Manager	31 January 2014
XX XX	Care Leader - Oakhaven	31 December 2013
Additional description will be included to support items of expenditure in order to make clear which residents went on trips to local cafe or pub.	Care Leader - Oakhaven	31 December 2013
The amenity fund records will be signed by two authorised signatories to support all items of expenditure and income from the amenity fund at Oakhaven.	Care Leader - Oakhaven	31 December 2013
XX.	Manager - Morrell House	31 December 2013