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INTRODUCTION

1. The National Asylum Support Service (NASS) was established in April 2000 to provide support to eligible destitute asylum seekers in accordance with the requirements of The Immigration and Asylum Act 1999. NASS, having confirmed the eligibility of asylum seekers for support, provides them with either vouchers or vouchers and accommodation.
2. Until the orders for regular vouchers (RVs) have been fulfilled, asylum seeker will be provided with emergency vouchers (EVs). Most EVs are provided in packs of £30, although they are available in £50 and £75 packs. £10 cash vouchers are also available loose.
3. In due course, asylum seekers are able to collect their RVs through nominated Post Offices. For most asylum seekers, £10 of the RVs is exchangeable for cash (due to be increased to £14); the remaining can be exchanged for goods and services at retailers who have signed up to the voucher scheme. The total value of the RVs depends on the family size but it can be reduced, for example, where the asylum seeker has capital assets or is in full board accommodation.
4. Other than the initial period, it may also be necessary to issue EVs to asylum seekers to cover a number of specific instances, eg:
 - lost or stolen receipt books and vouchers;
 - failure to collect receipt books and/or vouchers from the Post Offices within the relevant weeks;
 - changing nominated Post Offices following the asylum seeker moving; and
 - maternity allowances.
5. NASS through IND has a contract with Sodexho Pass International SA (Sodexho) to provide services in support of the voucher scheme (Buy Pass). Sodexho is responsible for printing and distributing RVs, EVs and receipt books. It has arranged a contract with Post Office Counters Limited (POCL) to allow asylum seekers to collect their receipt books and the RVs from nominated Post Offices. EVs are distributed by NASS.
6. Sodexho is also responsible for managing the voucher redemption process including the payment of retailers for the face value of vouchers used by the asylum seekers, and signing up new retailers to the scheme.
7. In addition to paying set fees for the provision of the service such as printing and the POCL recharge, NASS also reimburses Sodexho for the face value of the vouchers redeemed by the asylum seekers. Initially NASS pays the face value of the vouchers printed and distributed; Sodexho will subsequently issue a credit for vouchers not redeemed as being lost/stolen or time expired.
8. NASS has also entered into an agreement with Wackenhut through a variation to the group dispersal contract, whereby care attendants employed by the contractor, travelling on group dispersal coaches, distribute emergency voucher packs to the asylum seekers.

9. It is planned to introduce new receipt book procedures in February/March 2002. These have been designed principally to:
- overcome the problem of the high number of uncollected receipt books and RVs;
 - improve the security over the receipt books and vouchers; and
 - reduce the need to provide asylum seekers with EVs to cover the period during a change in the nominated Post Offices.

Variations to the contracts with Sodexho and Wackenhut were in the process of being negotiated to reflect the changes necessitated by the introduction of the new system.

10. The existing voucher system is due to be replaced and asylum seekers will in future receive all their entitlement in cash. Notwithstanding the change, many of the recommendations included in the report will remain valid.
11. This review was undertaken as part of the 2001/02 annual audit plan for the Immigration and Nationality Directorate.

OBJECTIVES AND SCOPE

12. The objective of the review was to provide an assurance to the Immigration and Nationality Directorate that only qualifying destitute asylum seekers are provided with vouchers for essential living needs other than accommodation, and that those vouchers are recorded and reconciled. The scope of this audit has been designed to dovetail into the scope of our other audit involvement in NASS included in the 2001/02 audit plan.
13. The scope of the audit has taken into consideration the plans to introduce the new receipt book procedures from February/March 2002. Also in view of the intention to withdraw the voucher scheme in due course, the emphasis of the audit was to ensure compliance to current procedures and to make recommendations that seek to address any weaknesses in the short term, thus avoiding where possible any major changes.
14. Some asylum seekers, in addition to receiving vouchers, are provided with accommodation. The provision of accommodation is outside the scope of this audit review.
15. Our work was carried out between December 2001 and January 2002. Through an examination of documentation, auditing testing and interviews with appropriate staff members, we reviewed and evaluated the adequacy of the procedures and controls in relation to the provision of vouchers, both emergency and routine. We also visited Sodexho at Aldershot, the main contractor in the provision of the voucher scheme.
16. The detailed Objectives and Scope Statement is included in the report at Appendix 1.

SUMMARY OF FINDINGS

17. The audit identified that there are a large number staff within NASS who have an involvement with vouchers, particularly the handling of EVs. However the documentation of processes in desk instructions was found to be fragmented, non standardised and incomplete. The detailed findings has identified a number of specific issues which should be addressed as part of a review of desk instructions, including the new receipt book system and physical controls over EVs held in the strongroom and at the AP stations.

18. Following our review of the NASS RV order dated 28/11/01, we noted that:

- the number of vouchers printed to make up particular entitlements varied considerably; and
- for some entitlements there was an excessive number of vouchers printed, even Sodexho had noticed this and had tried to raise their concerns with NASS.

By rationalising the number of vouchers ordered for the individual entitlements, there is the potential for reducing printing costs. The realistic savings could be £30 - £45k per annum.

19. NASS staff are responsible for ensuring the accuracy of the calculation of the entitlement of asylum seekers to EVs and RVs. From our sample, we were concerned at the potential for errors, albeit minor ones.

20. A number of the teams including VET and the Correspondence Unit, involved with issuing vouchers had workflow backlogs, partly due to lack of resources to deal with them. Failure to address the backlogs can, for example, impact on the workload of other teams, resulting in additional EVs having to be sent to asylum seekers or delaying the clawback of overpayments of EVs. The new receipt book should however have a beneficial impact on the workload of VET by reducing the problem of uncollected receipt books and vouchers.

21. EVs are physically stored in the strongroom in Quest House with floats held overnight in safes at locations in Quest House and Voyager House under the control of authorised persons (APs), and at Oakington and Leeds. These are necessary to meet the ongoing requirements. There were a number of concerns regarding the adequacy of physical controls and the supporting records, including:

- the inventory checks by staff independent of those directly involved with the strongroom or at the AP stations were not sufficiently robust;
- the effective operation of the strongroom was reliant on the Stock Control Officer (SCO) and his assistant, without any formal arrangements to ensure cover in the absence of key staff or to rotate duties;
- the procedures covering the recording of wanded (barcode read) EVs to be returned to Sodexho by the SCO and his assistant served limited purpose; and

- the SCO did not have an up to date list with specimen signatures of the APs who can request the issue of EVs or SEOs who countersign the request.
22. Whilst we were satisfied that the arrangements to control the issue of EVs to asylum seekers on group dispersals using Wackenhut coaches, controls over the issue of EVs by the voluntary sector agencies for inter region dispersals were considered non existent.
23. In general, we found that Sodexho appeared to have adequate procedures in place over the printing and distribution of vouchers. There were a number of issues that should be addressed. These cover the provision of additional information to provide back up to its invoices and clarification over its arrangements for an alternative voucher design. Sodexho also need to incorporate more definitive arrangements for the warm site as part of its disaster recovery plan.
24. With the introduction of the cash token system from 8 April 2002, a number of the recommendations are no longer relevant whilst others may or may not be relevant under the new arrangements. Theses have been highlighted in the recommended action and implementation plan at appendix 2.

CONCLUSION AND OPINIONS

25. Although the existing voucher scheme is due to be replaced, it is still important that the controls in place over EVs and RVs are rigorous and robustly applied until the changeover to the new arrangements is complete.
26. To ensure that the controls are rigorous and can be robustly applied, it is important that that procedures in place incorporate appropriate checks and balances, in particular relating to the physical security of EVs. In a number of instances these procedures either lacked the appropriate checks and balances or were not being fully complied with.
27. Sodexho has been contracted to provide services in support of the voucher scheme. However there is evidence to suggest that NASS is failing to ensure that it is getting value for money from the contract, in particular the inconsistencies in the ordering of EVs.
28. Our opinion is that the systems for ensuring that only qualifying destitute asylum seekers are provided with vouchers for essential living needs, other than accommodation, and that those vouchers are recorded and reconciled, at the time of the audit, were **inadequately controlled**.

DETAILED FINDINGS

Documented Procedures (Desk Instructions)

29. Whilst a number of the procedures and policies had been documented and were available on the system, staff awareness of their existence appeared to be limited. We were provided with some desk instructions but these tended to be fragmented, non standardised across the relevant teams and incomplete. In addition some of the forms used by the teams for similar purposes were not standard. Despite the existence of the procedures, much of the audit was spent trying to establish the duties of the staff involved in the voucher scheme.
30. In particular, we were concerned that the procedures covering the strongroom were principally based on instructions written when NASS was started in April 2000. There have been subsequent changes but these have been implemented by the Stock Control Officer as circumstances have dictated. We understand that it is the intention to independently review strongroom procedures.

Risk:

Although recognising that the voucher regime has a finite life, the failure to establish appropriate integrated procedures in desk instructions may result in staff adopting inconsistent practices and in isolation. There is a risk that appropriate checks are not being carried out and that new staff are relying on the potentially incomplete knowledge of existing staff training them. There is also a risk that staff may become less vigilant knowing that the voucher regime has a finite life.

Recommended Action No. 1:

We recommend that all key procedures should be documented through the medium of brief desk instructions. The instructions should be cross referenced to the relevant polices and procedures held on the system. Such instructions will help to ensure the consistency of application and to enable the use of a standardised approach across the teams where appropriate. They should be kept up to date to ensure their relevance to the current working environment. To ensure greater staff awareness, arrangements should also be put in place to ensure that the instructions are made available to all relevant staff.

New Receipt Book System

31. The new receipt system, shortly to be introduced, should all but eliminate the problem of uncollected receipt books, significantly reduce the number of uncollected vouchers from Post Offices and make the process of dealing with asylum seekers changing address much simpler. This should save on unnecessary printing costs and administration costs, in particular by reducing the need to issue emergency vouchers for change of addresses.
32. The distribution of receipt books to asylum seekers will become the responsibility of NASS rather than Post Offices. However at the time of the audit, procedures

had not been amended to incorporate the controls necessary for the distribution of receipt books

Risk:

The failure to put in place procedures, in particular the security of receipt books, prior to implementation of the new system, compromises the ability of NASS to ensure that appropriate controls are in place ie they tend to be reactive rather than proactive.

Recommended Action No. 2:

We recommend that the review of desk instructions should include the procedures for controlling the ordering, receipt and issue of receipt books.

Documentation Retention Policy

33. We identified that there was no policy on the retention of documents in particular those relating to the strongroom. The Stock Control Officer has filed copies of various documents since the inception of NASS in cabinets in the strongroom: copies of some of these documents are also filed by NASS Finance. Others may just be filed for the sake of filing them.
34. At the end of each day the APs either fax from Quest House, or hand over hard copies of their daily record spreadsheets to NASS Team. These are filed in addition to the copies retained by the APs. We understand that the electronic versions of the spreadsheet are overwritten by the APs the following day. Furthermore difficulties with the printer or fax machine can cause problems in ensuring that a complete set of the data is passed over to NASS Finance.

Risk:

Without a formal documentation retention policy, it is possible that documents that should be retained, say for audit purposes, are being destroyed whilst in other instances, eg non critical documents or duplicate copies are being retained.

Recommended Action No. 3:

We recommend that the document retention policy with particular reference to the AP documents, should be updated and definitive guidelines prepared on what documents should be retained, in what format and by whom.

Risk:

Without satisfactory arrangements for the transfer of data, there is a risk that it will be incomplete and not fit for purpose.

Recommended Action No. 4:

We recommend that in order to overcome the faxing and printing problems regarding the AP's daily record sheets:

- electronic copies should be sent to NASS Finance rather than the hard copies or faxes;
- they should be e-mailed by the SEOs in charge of the relevant teams as an indication that they are in agreement with the hard copies retained by the APs; and
- NASS Finance should maintain the records electronically - an excel or access database could be used for this.

Number of Vouchers Printed per Asylum Seeker

35. Based on the order placed with Sodexho on 28/11/01, it was noted that:
- the number of vouchers printed to make up particular entitlements varied considerably , eg £36.54 (single person over 25) ranged from 7 to 65 and £274.02 ranged from 54 to 134; and
 - the number of vouchers required for a given amount was excessive eg 109 vouchers were printed for a £28.95 entitlement (single person 18 to 24).
36. All relevant staff are supposed to have access to a calculation tool called supercal which gives a suggested voucher breakdown (RV2). For £36.54 and £28.95, the most common entitlements, these were 20 and 16 respectively. However only 24.4% of the asylum seekers entitled to £36.54 received 20 vouchers and 29.6% of those entitled to £28.95 received 16.
37. Further analysis of the number of asylum seekers receiving the entitlements of £36.54 and £28.95 indicated that most were receiving considerably less vouchers than the supercal suggested figure. The average figures were, based on the sample week, 15.80 and 12.92 respectively.
38. In the table below we have set out four different scenarios and the potential annual printing cost savings for these two entitlements based on the sample week.

	£36.54	£28.95	Total
	£ '000	£ '000	£ '000
1) All orders over the supercal suggested figure are limited to 20 & 16 respectively *	12.8	3.3	16.1
2) All orders over 18 and 14 respectively are limited to the revised maximum *	29.1	14.3	43.4

3) All claimants receive 15 and 12 respectively, just below the current average	19.1	12.8	31.9
4) All claimants receive the 'realistic' minimum of 13 and 9 respectively **	66.5	54.2	120.7

* All orders under the maximum/revised maximum would not be amended. As asylum seekers move off support, the potential savings may therefore decrease.

** Of the 22503 asylum seekers receiving £36.54, the voucher packs of 7231 contained 13 or fewer vouchers, whilst for the 13103 receiving £28.95, 4760 voucher packs contained 9 or fewer.

39. The main reason for the excessive number of vouchers is due to incorrect use of the custom voucher. Each entitlement is supposed to have only one custom voucher to make up the difference to the nearest 50p, the smallest denomination of the standard vouchers. Using the £28.95 voucher example referred to in paragraph 31, there were 95 x 1p vouchers at a cost to print of 2.026p each print, ie £1.92 in total, as against 4p if just a 45p (custom) and a 50p voucher were used. We also identified from our limited sample an instance of an asylum seeker family receiving both 1p and 2p custom vouchers in their entitlement.

Risk:

Without ensuring that the number of vouchers produced for the entitlements are set at appropriate levels, and are applied consistently by all relevant staff, NASS may not be achieving value for money from its contract with Sodexo.

Recommended Action No. 5:

We recommend that the number of RVs ordered per entitlement should be reviewed either to standardise the number for each different entitlement, ideally at a lower number than that suggested by supercal, or ensuring that a predetermined maximum is not exceeded. Having established the entitlement rules, these should be communicated to all relevant staff.

Risk:

Failure to ensure that relevant staff are complying with the rules regarding the ordering of the custom vouchers, may result in unnecessary vouchers being ordered at a cost to NASS, resulting in poor value for money. Also the greater the number of vouchers printed and distributed, the greater the potential for loss.

Recommended Action No. 6:

We recommend that all relevant staff setting up RVs on ASYS should be reminded of the purpose of the custom voucher, in that it is only a makeweight voucher and that only one is allowed per entitlement.

Sodexho's Disaster Recovery Plan

40. We were provided with a copy of Sodexho's disaster recovery plan. Whilst it does address most issues, we were concerned that it did not specifically identify the warm site were it to become impossible to print and distribute the vouchers from Aldershot. We were informed that there are two possible sites, both of which are part of the Sodexho Group. One of the possible sites is in Belgium; this may cause additional logistical problems.

Risk:

Any problems with the printing and distribution of vouchers to asylum seekers, despite being the contractual responsibility of Sodexho, will undoubtedly have an adverse impact on the reputation of NASS in providing support to destitute asylum seekers.

Recommended Action No. 7:

We recommend that the Contract Manager responsible for Sodexho should address the issue of the warm site with Sodexho. The Company should have definitive agreements with the warm sites that will help to minimise the disruption to the printing and distribution of vouchers should the Aldershot site be unavailable. This will still be relevant when the change from vouchers is completed.

Calculation of Entitlement to EVs and RVs

41. Based on samples selected from the group dispersal lists of 22/11/01 and 17/12/01, we checked the calculations of the RV1s and RV2s based on the initial EV entitlement provided. As the asylum seekers receive their EVs on the coach, they cannot be wanded in. However the notes on ASYS should include a note to the fact that the asylum seeker has received EVs along with details of EVs issued, the RV1 and RV2 calculations and the relevant dates.
42. Of the sample of 5 taken from the Wackenhut list coach 2 on 17/12/01, the calculation of the entitlement was correct in 4 instances. For the asylum seeker, NASS No 01/12/01339, the notes in ASYS correctly refer to the entitlement as being £36.54 but the actual order was based on £28.95, the rate for an asylum seeker between the age of 18 to under 25.
43. Of the sample of 5 taken from the group dispersal list batch 1344 on 22/11/01 we noted that in every instance the notes on ASYS did not make reference to the fact that there was an initial issue of £90.00 of EVs. On discussing the issue with the Fast Track Team, we were informed that this had already been noted and all caseworkers have been issued with a reminder to enter up the notes on ASYS.
44. All asylum seekers in batch 1344 were being dispersed to full board accommodation. Therefore they would only be entitled to the £10 cash voucher. Such asylum seekers are deemed to have only received £30.00, the cash voucher element of the EVs provided, the remaining £60 being 'written off'. Also we

understand that caseworkers are not allowed to claw back any overpayment of notional cash element of the EVs paid to this category of asylum seekers, against subsequent issues of cash RVs; cash vouchers cannot be customised.

45. We also checked the calculations for 10 asylum seekers selected at random from the order for 26/11/01 list extracted from Sodexo's Bird system. The EV/RV entitlement for only four of those selected was correct. Of those incorrectly calculated the errors were in 5 instances were not significant, affecting the RV1 calculation or in one instance underpaying an asylum seeker by 7p per week. However for asylum seeker NASS No 00/08/01145, the RV2 should have been £149.02 as against £151.82 as one member of the family unit was over 18 rather than in the 16/17 category.

Risk:

Failure to ensure the accuracy of the of the RV1/RV2 calculation and fully updating the corresponding notes, may result in the asylum seeker being paid the incorrect amount, and may make it difficult for other staff who have to deal with resultant queries.

Recommended Action No. 8:

We recommend that independent random checks should be undertaken, to ensure that the caseworkers have accurately calculated the entitlements to EVs and RVs, and have recorded the details on ASYS. Brief details of those cases checked should be retained. With the impending changeover from vouchers, the Cash Payments to Asylum Seekers (CPAS) Project Team will need to ensure that the issuing of emergency funds is robust and ensures that individual asylum seekers are paid correctly.

Risk:

By adopting the policies relating to asylum seekers dispersed to full board accommodation, NASS is providing these particular asylum seekers with vouchers in excess of their entitlement at an additional cost.

Recommended Action No. 9:

We recommend that in relation to group dispersed asylum seekers going into full board accommodation:

- **an alternative approach is adopted whereby their entitlement to EVs is limited to the cash vouchers only; and**
- **a custom cash voucher is introduced or as an alternative, at least recovering the cash overpayment of £10.00 or more against the RV1.**

Voucher Enquiry Team (VET)

46. One of VET's principal responsibilities is to ensure that asylum seekers who are entitled to voucher support but who have not for, a variety of reasons, received their RVs, are provided with EVs (4 x £30.00) within 24hours. For example, the

asylum seeker may have reported either or both the RVs and the receipt book as lost or stolen, or has moved accommodation or has failed to collect his/her vouchers within the given week.

47. Once the EVs have been issued, the Team is supposed to check on the validity of the claims made by the asylum seekers. To help in the process Sodexo, provide reports on uncollected vouchers, uncollected receipt books and the welcome letter report. However based on the workflow report for the week ending 7/12/01, there were 5439 cases awaiting investigation with the number increasing. We understand that a number of temporary staff have now been taken on to help the Team reduce the backlog.

Risk:

Failure to investigate cases promptly, may result in asylum seekers being erroneously paid EVs with the consequent delay in clawing back the over payment or even withdrawing support altogether.

Recommended Action No. 10:

We recommend that once the backlog of investigations in VET relating to asylum seekers provided with EVs to cover non receipt etc, is reduced to more reasonable levels, the Team should be given sufficient resources to ensure that the backlog is kept to a minimum. This will be key under the new cash regime as the benefits from committing fraud will be heightened.

NASS Correspondence Unit

48. As part of its duties, the Correspondence Unit is responsible for asylum seekers who change from subsistence (vouchers) only to both (subsistence and accommodation), change accommodation, single additional payments (SAPs), change of age, maternity payments and reinstating terminations.
49. Using the weekly workflow report for the week ending 7/12/01, there was a backlog of 3539 cases of which 387 related subsistence to both and 607 to change of accommodation.
50. To ensure that SAPs, ie additional one off payments made every six months in receipt of support, and change of benefit rates due to change of age, the Team relied on a variety of sources, often the voluntary sector agencies or being identified.
51. To overcome the change of age problem, a request was made to NASS IT to produce an ad hoc report from ASYS on 18th birthdays but when produced it covered all ages. It was therefore of limited use and has not been followed up subsequently. A further ad hoc report for SAPs was considered but had not been actioned.

Risk:

Any delay in dealing with the backlog, in particular subs to both and change of accommodation, may have an adverse impact on the work of other NASS Teams. For example, VET may well have to arrange for the issue of EVs whilst waiting for the new addresses of asylum seekers are registered on ASYS.

Recommended Action No. 11:

We recommend that every effort should be made to clear the workflow backlog in the Correspondence Unit, in particular where an asylum seeker has moved over to both subs and accommodation, or has changed accommodation. This will be still be relevant to the efficient operation of new receipt book system and the transfer to cash payments later in the year.

Risk:

By not paying the asylum seekers their full entitlements due to them, NASS is failing to fulfil its statutory duties.

Recommended Action No. 12:

We recommend that the Correspondence Unit should make full use of the capabilities to produce the reports from ASYS covering key birth dates and six months on entitlement. If they were properly defined, they would help to ensure that NASS pays asylum seekers all their entitlements, rather than relying on the current ad hoc approach.

Dispersed Address on ASYS

52. We were informed that there were about 500 instances where the dispersed addresses of asylum seekers could not be set up on ASYS. In such circumstances, it is not possible to place a RV order on the system. As a result it is necessary to continue to supply the asylum seeker with EVs.

Risk:

Failure to allocate the dispersed address on the ASYS means that the asylum seeker is continuing to be supplied with less secure EVs rather than RVs, and results in an extra administrative cost.

Recommended Action No. 13:

We recommend that invalid address allocations on ASYS that prevent the setting up of RV orders, are investigated and resolved.

Non Wackenhut Group Dispersals

53. Most asylum seekers moved into dispersed accommodation travel under the group dispersal arrangements. These asylum seekers are given their EVs on the

coaches by employees of Wackenhut under the terms of its group dispersal contract with NASS. We were able to confirm that there were appropriate controls over the issue of EVs under this arrangement.

54. However there were group dispersals inter region which do not require the services provided by Wackenhut. In these instances, the EVs are issued by the relevant voluntary sector agencies. Records were kept of the vouchers issued to the agencies but beyond that the agencies were not required to account for the EVs issued and return unused EV packs. As a result it is not possible to identify the number of voucher packs being held by the agencies.
55. With the introduction of the Induction Centres, we understand that NASS will be moving towards individual rather than group dispersals.

Risk:

Failure to require the voluntary agencies to account for all EVs provided for inter region dispersals, could result in EVs being misappropriated and fraudulently used.

Recommended Action No. 14:

We recommend that the Group Dispersals Team should introduce appropriate controls, based on those operated by Wackenhut, to cover the recording and safekeeping of EVs distributed by the voluntary sector agencies assisting inter region dispersals.

Staffing Arrangements for the Strongroom

56. The staffing arrangements for the strongroom in Quest House are dependent on the Stock Control Officer (SCO), who has been responsible for it since the inception of NASS, and his assistant. There is no rotation of duties similar to that applied to APs.
57. In addition there were no formal arrangements to ensure that there is staff coverage in the absence of either the SCO or his assistant. This was highlighted when the previous assistant obtained another position within NASS and the subsequent difficulty of finding a replacement. Whilst we understand that staff would be drafted in, this must be considered a short term expedient.

Risk:

Without ability to rotate staff, NASS may be placing too much responsibility in a particular member of staff. Furthermore without ensuring that there are arrangements to provide staff cover, there is a risk that the efficiency of the provision of EVs to asylum seekers may be compromised.

Recommended Action No. 15:

We recommend that additional staff should be formally trained in strongroom procedures to enable staff rotation to be introduced, and to provide a more robust system to allow for staff coverage in the event of absences.

Strongroom Stocktakes

58. Each morning the vouchers held in the strongroom are counted and agreed to the book quantity shown on the daily reconciliation form as at the close of play the previous evening. On agreement the daily reconciliation form should be signed by the SCO and his assistant; however when we attended the count on 18/12/01 we noted that the form was not signed. This was raised with the SEO responsible for the strongroom for action.
59. At the count on 18/12/01 by the SCO and his assistant, and with a member of the AAU in attendance, a difference of 20 x £30.00 voucher packs was noted. In accordance with procedures, issues to APs were delayed until the difference had been identified. Whilst we were able to confirm that the difference was due to an addition error, it was not standard practice to report it to the SCO's line manager.
60. The only independent check on the quantity of EVs held in the strongroom are those undertaken by an AO from NASS Finance, usually every three to four months. The last such check was undertaken on 21/11/01; all were agreed. Whilst the stocktake sheets were signed by the AO and the assistant to the SCO, there was no evidence to indicate that the results were subject to review by a more senior person from NASS Finance.

Risk:

As EVs are equivalent to cash, it is important that there are proper safeguards covering the physical control of those held in the strongroom. Without them, there is a risk that EVs which may be lost or mislaid, are not identified promptly which in turn may hinder subsequent investigation.

Recommended Action No. 16:

We recommend that in relation to strongroom procedures:

- **two members of the strongroom staff should sign the daily reconciliation of stock movements in and out of the strongroom, this would be of particular importance if a hand over was necessary when both parties to the hand over should sign the reconciliation;**
- **differences identified on the initial count of stock held in the strongroom should be referred to the SEO, responsible for the strongroom and its staff; it would then be up to the SEO if he or she wishes to be involved in the recount;**
- **the SEO should count the stock in the strongroom at least monthly and should sign the reconciliation as an indication of the fact; and**
- **the AO from NASS Finance should undertake ad hoc counts, the results of which should be reviewed by a senior member of the Finance Team who should sign the stocksheets as an indication of the review**

Ordering EVs

61. Each week on Thursday, an order for EVs is placed with Sodexho. A request for EVs is prepared by the SCO and submitted to NASS Finance who place the official order with Sodexho. At the time of the audit, the request was signed by the strongroom assistant and countersigned by the SCO in the absence of an immediate line manager. At the time of our visit an HEO was given line responsibility for the strongroom.
62. As part of the audit we attempted to identify whether the level of orders of EVs was excessive as Sodexho raised concerns at the extent of EVs being returned as being time expired. This proved difficult as it would have involved taking into account the stockholding of all the APs, see paragraph 67. No one within NASS was monitoring the overall level of EVs, both in the strongroom and at the various AP stations against average daily usage. Although Sodexho will issue a credit for the face value of vouchers returned, NASS is however incurring the cost of printing the EVs.

Risk:

Failure to ensure that requests to order EVs are checked and authorised by a member of staff independent of the SCO and of sufficient seniority may result in an invalid order for EVs being placed, at a subsequent cost to NASS, resulting in poor value for money.

Recommended Action No. 17:

We recommend that the SEO recently assigned responsibility for the strongroom, should countersign the order requests for EVs prior to submission to NASS Finance.

Risk:

Without being able to monitor the overall stockholding of EVs, NASS may be incurring the additional expense of having an excessive number EVs printed that will eventually become time expired and have to be destroyed.

Recommended Action No. 18:

We recommend that consideration should be given implementing a system whereby the average daily usage of EVs is compared to the total stock of EVs held at all locations to ensure that the overall stockholding is kept to a realistic minimum.

Return of EVs to Sodexho

63. EVs that are time expired including those whose expiry date is due within three weeks are returned to Sodexho who then issue a credit for the face value of the EVs returned. The EVs are parcelled up and can be picked up weekly at the same time as the new EVs are delivered by Securitas on behalf of Sodexho. We reviewed the pick ups since November 2001 and noted that there were 4 weeks

up to 17/01/02 when no pick ups had been made. Whilst it was accepted that pick ups of £30.00 voucher packs has to be in parcels of 320, it was possible that time expired vouchers are not being returned promptly.

Risk:

Failure to return time expired EVs promptly, will result in a delay in Sodexho issuing a credit note to NASS for the face value of the EVs returned.

Recommended Action No. 19:

We recommend that any revised desk instruction for the strongroom should state that time expired EVs are returned to Sodexho weekly where possible.

Return of Wanded EVs to the Strongroom

64. We noted that wanded EVs such as those returned to sender by the Post Office or have been wanded onto the ASYS but the requirement has been subsequently been cancelled, are returned to the strongroom and recorded by the SCO on a form adapted for the purpose. The EVs would then be parcelled up and returned to Sodexho. Despite diligently recording details of wanded returns, it was not possible to verify completeness of these records eg there appears to be no suitable alternative means of extracting the data that could be used for reconciliation purposes.

Risk:

Without proper effective physical controls over returned wanded EVs, there is a risk that vouchers are lost or misappropriated and fraudulently used, and management would be oblivious to the fact.

Recommended Action No. 20:

We recommend that procedures should be are introduced to ensure that those wanded EVs returned to the strongroom can be independently verified, for example against a report from ASYS.

List of APs and SEOs

65. The SCO did not have a list including specimen signatures, of the current APs together with those of the SEOs who authorise the daily requests for EVs. The SCO stated that he knew most of the APs and SEOs and recognised their signatures from experience. However when challenged during the stocktake on 18/12/01, he was unable to recognise the signature of one of the SEOs authorising a daily request.

Risk:

Without a list setting out the names of current APs and SEOs responsible for EVs, along with specimen signatures, there is the risk that the requests for EVs are invalid, and the number requested may be surplus to the immediate requirements of the AP. The storage arrangements for EVs within the AP station are less secure than the strongroom.

Recommended Action No. 21:

We recommend that the SCO should be provided with an up to date list along with specimen signatures of all APs and SEOs responsible for signing the daily EV requests on the strongroom. The list should also be updated promptly to reflect staff changes.

Stocktakes at AP Stations

66. At the beginning of each day, the APs are supposed to count the number of vouchers/voucher packs held and compare this to the stock record. This is an important control, particularly on the hand over between APs as part of the normal staff rotation. When we observed the count of vouchers held by the Fast Track AP on 21/12/01, we noted that she did not count the number of loose £30.00 vouchers packs envelopes in the opened Sodexho parcel because she knew what was in there. There have been a few instances where there have been more or less than 320 x £30.00 voucher packs in a Sodexho parcel.
67. At the count on 21/12/01, the number of vouchers actually counted was 6 x £30.00 voucher packs more than the book stock. We were informed that it may have resulted from the reconciliation the previous Friday and that this would be investigated when the relevant AP returned from sick leave. We followed up on the difference on 18/01/02 only to discover that it had not been resolved. In many instances there is a subsequent contra entry but this was not the case in this instance. There is no formal requirement to inform the Team's SEO of differences identified, although they are reported to NASS Finance on the daily record sheets.
68. As part of the process of ensuring that all vouchers can be accounted for, an AO from the NASS Finance Team undertakes periodic stocktakes. Although we sighted evidence that the stocktakes have been carried out, they are somewhat infrequent and there was no evidence that the results had been reviewed by a senior member of the Team.
69. The stocktakes are supplemented by a reconciliation between the issues recorded on ASYS against those recorded on the daily record sheets. We were unable to identify when such a reconciliation was last undertaken, although we subsequently noted that two recent differences relating to a particular AP station were being investigated.

Risk:

As EVs are equivalent to cash it is important that there are proper safeguards covering the physical control of those held by the APs. Without them, there is a risk that EVs which may be lost or mislaid, are not identified promptly which in turn may hinder subsequent investigation.

Recommended Action No. 22:

We recommend that in relation to the EV stocks held by APs:

- all vouchers held by the APs other than those in the sealed Sodexho parcels should be counted daily;
- the relevant SEO, as well as NASS Finance, should be formally notified of all differences of the daily stocktakes;
- the SEOs for each Team should carry out spot checks on the quantities of vouchers held against the book stock and should sign the daily record sheet as an indication that the stock has been checked;
- the checks by NASS Finance, both stocktakes and the reconciliations, should be carried out on all AP stations once a month notwithstanding the fact that differences may not have been reported; and
- adequate evidence of the NASS Finance checks should be retained, including indication that the results have been reviewed by a senior member of the Finance Team.

AP Safe Limits

70. According to the AP instructions provided the safe limits for the storage of EVs overnight in the safes at the AP stations is £3000. We were informed that the limit was increased to 1.5 Sodexho parcels ie £14,400 (1.5 x 320 x £30.00). However there was no documentary evidence to support increase.
71. We noted that overnight of 17/12/01, there was £27530 worth of vouchers in the Fast Track Team AP. This is considerably in excess of the supposed insurance limit. As a further £10500 worth of vouchers was on order with the strongroom on 18/12/01, the amount held at this location for that day exceeded the usual number of EVs usually distributed.

Risk:

By failing to ensure that staff comply with the safe limits, there is a risk that NASS would be unable to make full recovery of any vouchers stolen.

Recommended Action No. 23:

We recommend that the limits placed on the AP safes should be clarified and set at agreed limits; those set should be appropriate to the efficient working of the various Teams responsible for EVs. Furthermore all staff should be informed of the limits, and that under no circumstances should they be exceeded.

Controls over Returns of Unwanded EVs

72. Under existing procedures all issues of EVs by APs to caseworkers have to be signed for on the daily record sheet by both parties. Whilst wanded vouchers have to be returned to the strongroom, those that are unwanded are returned to the AP at the end of the day. Whilst this is not a common occurrence, we noted that there was some confusion within the Fast Track Team over these returns in that there did not appear to be a requirement for both parties to sign the record sheet as confirmation of the returns.

Risk:

Failure to have appropriate procedures in place that ensure staff take responsibility for EVs under their care, could lead to problems in determining the reason for stock differences were they to arise.

Recommended Action No. 24:

We recommend that the procedures for unwanded vouchers should be clarified so that when they are returned at the end of the day to the AP, both the caseworker and the AP acknowledge the return by signing the daily record sheet.

Sodexho Invoices

73. Sodexho raise a variety of invoices on NASS for services under the terms of the contract, namely:
- standard fees for the provision of the service;
 - monthly printing costs of EVs and RV;
 - face value of RVs ordered each week through the download from ASYS;
 - face value of EVs ordered each week.

Sodexho will subsequently issue credit notes for the face value of EVs and RVs not redeemed by the asylum seekers at the designated retailers before they become time expired.

74. Although we were able to confirm that appropriate checks were undertaken to confirm the validity of the face value invoices produced by Sodexho and the regular monthly fees, we were not able to reconcile the number of EVs and RVs printed in the month of November 2001 to underlying records. Sodexho do not produce an appropriate breakdown of the RVs and EVs printed in support of the invoice. NASS Finance does undertake a reasonableness check on the number of vouchers printed.
75. Sodexho assign each weekly RV print run with a consecutive emission number. For internal use, Sodexho can produce a report for particular emission number which provides up to date information on the progress of the RVs. The information provided could be of value to NASS to provide support for the value of credits due. Whilst NASS Finance did not routinely receive copies of emission reports, they can request the information from Sodexho as required.

Risk:

Without being provided with the necessary breakdown of the printing costs, NASS may be overpaying for the printing of vouchers by Sodexho.

Recommended Action No. 25:

We recommend that Sodexho should be asked to provide a detailed breakdown of the numbers vouchers printed each month so that these can be compared to the original orders.

Alternative Voucher Design

76. Under the terms of the contract (4.1.2), Sodexho are required to ensure that there is an alternative voucher design available if needed. The alternative should be sufficiently different in design so as to be easy identifiable as different. In response Sodexho's Production Director stated that Sodexho would simply change over to the coloured paper used for the receipt book and vice versa.

Risk:

By failing to have an alternative design as required by the contract, Sodexho are potentially compromising the voucher security arrangements. Should the voucher be forged, necessitating colour change proposed, it would soon be realised by any forger that all he or she would need to do would be to change the colour of the paper rather than the design. This may cause unnecessary disruption to the provision of vouchers to destitute asylum seekers.

Recommended Action No. 26:

We recommend that the Contract Manager responsible for Sodexho should address this concern with the Company with the view to making the alternative voucher design more secure.

APPENDIX 1

NASS: REVIEW OF THE MANAGEMENT OF VOUCHERS

System Objective

To provide qualifying destitute asylum seekers with vouchers for essential living needs, other than accommodation, and that those vouchers are recorded and reconciled.

Audit Objective

To evaluate the procedures in place to ensure that vouchers are held securely, issued only to eligible asylum seekers, and that the claim from Sodexo is accurate and verified.

Scope

This is one of six audits that will be carried out in NASS during this year. The other five audits will review dispersal accommodation, cessations, arrivals, interim scheme and the housing management team.

The scope will cover, but will not necessarily be restricted to:

1 Controls over the printing and distribution of regular vouchers

- Security of vouchers
- Print processes and security over spoilt vouchers
- Records of voucher numbers
- Records and processes for allocating routine voucher numbers to asylum seekers
- Procedures and processes for dealing with returned vouchers to Sodexo
- Complaints of non delivery of vouchers
- Cessations of voucher provision

2 Controls over the printing and distribution of emergency vouchers

- Recording receipt of emergency vouchers from Sodexo
- Security of emergency vouchers
- Distribution of emergency vouchers by NASS
- Distribution of emergency vouchers on Wackenhut coaches.
- Records maintained over the issue of vouchers
- Records of unissued vouchers (Wackenhut) and returns
- Guidance for staff
- Reconciliation of emergency voucher issue records in NASS

3 Security of emergency vouchers

- Physical security of the vouchers
- Access to vouchers
- Records of movement of vouchers

4 Reconciliation of regular vouchers issued to Sodexho to those returned to Sodexho

Unused vouchers/out of date vouchers
Use of POCL

5 Production of Sodexho claim to NASS

Procedures and MIS to draw up claim
Supporting documentation
Reconciliation in NASS to ASYS
Clearance of any differences

Methodology

The work will broadly follow a systems based process whereby systems are identified and documented, controls evaluated and tested. The review will concentrate on compliance with controls. An audit report will be produced identifying strengths and recommending areas for improvements as appropriate.

There will be monthly meetings with the system owners to discuss progress and other issues throughout the period of all the reviews in NASS, arranged for first Tuesday in the month at 11.30 am in Voyager House, Croydon following the NASS Recovery Meeting. We will also informally report key findings throughout the period of the review, usually at, but not limited to, the monthly meetings with the system owners.

AUDIT AND ASSURANCE AIMS

The aim of Audit and Assurance is to provide an assurance to the Accounting Officer on the adequacy, reliability and effectiveness of the Department's internal control system.

Audit and Assurance also aims to help managers improve their efficiency and effectiveness by reporting on the internal control system for which they have responsibility.

Home Office Audit and Assurance
November 2001

APPENDIX 2**RECOMMENDED ACTION AND IMPLEMENTATION PLAN****Audit Review:** NASS Vouchers**Date:** December 2001 - January 2002**Ref:**

Recommended Action & x-ref	Category (see key)	Recommended Action	Accepted Or Rejected	Management Response	Implementation Target Date
R 1, page 6	1	All key procedures should be documented through the medium of brief desk instructions. The instructions should be cross referenced to the relevant polices and procedures held on the system. Such instructions will help to ensure the consistency of application and to enable the use of a standardised approach across the teams where appropriate. They should be kept up to date to ensure their relevance to the current working environment. To ensure greater staff awareness, arrangements should also be put in place to ensure that the instructions are made available to all relevant staff.	Accepted	There is already caseworker guidance in the form of Policy Bulletins and instructions on the use of ASYS. But it is acknowledged that that there is a need for a simple up to date guide on the range of procedures relevant to the administration of support, be it in the form of cash vouchers or the ARC, with relevant cross references, that can be applied across Operations.	30 June 2002
R 2, page 7	1	The review of desk instructions should include the procedures for controlling the ordering, receipt and issue of receipt books.	Accepted	There are, in fact, already instructions on this subject, but they need to be incorporated with, and in the same style as, the above.	30 June 2002
R 3, page 7	2	The document retention policy, with particular reference to the AP documents, should be updated and definitive guidelines prepared on what documents should be retained, in what format and by whom.	Accepted	Advice has been sought from AAU on length of time to keep documents. Until this is forthcoming we shall keep 2 years local store and then to long term store for a further 5.	Revised procedures when advised by AAU

Recommended Action & x-ref	Category (see key)	Recommended Action	Accepted Or Rejected	Management Response	Implementation Target Date
R 4, page 8	2	<p>In order to overcome the faxing and printing problems regarding the AP's daily record sheets:</p> <ul style="list-style-type: none"> • electronic copies should be sent to NASS Finance rather than the hard copies or faxes; • they should be submitted by the SEOs in charge of the relevant teams as an indication that they are in agreement with the hard copies retained by the APs; and • NASS Finance should maintain the records electronically - an excel or access database could be used for this. 	Accepted	<p>APs have been advised to post rather than fax daily sheets. Electronic copies are not appropriate as they are open to alteration and signed sheets are required.</p> <p>SEOs overseeing relevant teams/Authorised Persons, or their assigned deputy if necessary, will submit the necessary record sheets</p>	<p>Done</p> <p>30 May 2002</p>
R 5, page 9	1	<p>The number of RVs ordered per entitlement should be reviewed either to standardise the number for each different entitlement, ideally at a lower number than that suggested by supercal, or ensuring that a predetermined maximum is not exceeded. Having established the entitlement rules, these should be communicated to all relevant staff.</p>	No longer relevant		
R 6, page 9	1	<p>All relevant staff setting up RVs on ASYS should be reminded of the purpose of the custom voucher, in that it is only a makeweight voucher and that only one is allowed per entitlement.</p>	No longer relevant		
R 7, page 10	2	<p>The Contract Manager responsible for Sodexho should address the issue of the warm site with Sodexho. The Company should have definitive agreements with the warm sites that will help to minimise the disruption to the printing and distribution of vouchers should the Aldershot site be unavailable. This will still be relevant when the change from vouchers is completed.</p>	Rejected	<p>Sodexho UK have an agreement with a sister plant in Belgium which is fully geared up to providing the printing service that Sodexho UK presently perform. With the current reduction in (numbers) demand, the actual size of the task has</p>	

Recommended Action & x-ref	Category (see key)	Recommended Action	Accepted Or Rejected	Management Response	Implementation Target Date
				diminished.	
R 8, page 11	1	Independent random checks should be undertaken, to ensure that the caseworkers have accurately calculated the entitlements to EVs and RVs, and have recorded the details on ASYS. Brief details of those cases checked should be retained. With the impending changeover from vouchers, the Cash Payments to Asylum Seekers (CPAS) Project Team will need to ensure that the issuing of emergency funds is robust and ensures that individual asylum seekers are paid correctly.	Accepted	A quality control programme, administered by team managers, is now in force in Operations. The issue of emergency cash vouchers has been reviewed by the CPAS Project Team as part of the transition to cash.	Ongoing
R 9, page 11	2	We recommend that in relation to group dispersed asylum seekers going into full board accommodation: <ul style="list-style-type: none"> • an alternative approach is adopted whereby their entitlement to EVs is limited to the cash vouchers only; and • a custom cash voucher is introduced or as an alternative, at least recovering the cash overpayment of £10.00 or more against the RV1. 	No longer relevant		
R 10, page 12	1	Once the backlog of investigations in VET relating to asylum seekers provided with EVs to cover non receipt etc, is reduced to more reasonable levels, the Team should be given sufficient resources to ensure that the backlog is kept to a minimum. This will be key under the new cash regime as the benefits from committing fraud will be heightened.	Accepted	Backlogs are kept to within 2 days worth of work and a 24 hour response to telephone calls from destitute asylum seekers is maintained.	Ongoing
R 11, page 13	1	Every effort should be made to clear the workflow backlog in the Correspondence Unit, in particular where an asylum seeker has moved over to both subs and accommodation, or has changed accommodation. This will be still be relevant to the efficient operation of new receipt book system and the transfer to cash payments later in the year.	Accepted	Backlogs have been cleared. We will aim to ensure that resources are applied in such a way that 'reasonable' turnaround times are maintained.	Ongoing

Recommended Action & x-ref	Category (see key)	Recommended Action	Accepted Or Rejected	Management Response	Implementation Target Date
R 12, page 13	2	The Correspondence Unit should make full use of the capabilities to produce the reports from ASYS covering key birth dates and six months on entitlement. If they were properly defined, they would help to ensure that NASS pays asylum seekers all their entitlements, rather than relying on the current ad hoc approach.	Partly Accepted	Six month £50 payment not an automatic entitlement. Must be applied for. Automation would not remove time consuming need to calculate whether applicant on continuous support for 6 months. Scope to investigate ASYS enhancement in preference to current quality check approach. Capability to identify critical events if correctly defined. May appear to be scope to automate critical birthday requirement, but problem in design of ASYS. Does not hold a standard payment rate as a core value, with any adjustment held separately. ASYS takes net value entered by caseworker, limiting scope for automating updates - would not take into account claw backs. Would need a significant and costly redesign to ASYS. At this point in the evolution of IND IT/IS strategy, would not be funded.	Investigations to take place by 30 June 2002
R 13, page 13	2	Invalid address allocations on ASYS that prevent the setting up of RV orders, are investigated and resolved.	Accepted	There is a current project to resolve this long running and very difficult problem. The reasons for the situation are	30 June 2002

Recommended Action & x-ref	Category (see key)	Recommended Action	Accepted Or Rejected	Management Response	Implementation Target Date
				multiple and not straightforward but the relevant issues will continue to be addressed.	
R 14, page 14	1	The Group Dispersals Team should introduce appropriate controls, based on those operated by Wackenhut, to cover the recording and safekeeping of EVs distributed by the voluntary sector agencies assisting inter region dispersals.	Accepted	A procedure will be assembled and communicated to those concerned	31 May 2002
R 15, page 14	1	Additional staff should be formally trained in strongroom procedures to enable staff rotation to be introduced, and to provide a more robust system to allow for staff coverage in the event of absences.	Accepted	This has already been addressed and a solution will be in place.	Ongoing
R 16, page 15	1	<p>In relation to strongroom procedures:</p> <ul style="list-style-type: none"> two members of the strongroom staff should sign the daily reconciliation of stock movements in and out of the strongroom, this would be of particular importance if a hand over was necessary when both parties to the hand over should sign the reconciliation; differences identified on the initial count of stock held in the strongroom should be referred to the SEO, responsible for the strongroom and its staff; it would then be up to the SEO if he or she wishes to be involved in the recount; the SEO should count the stock in the strongroom at least monthly and should sign the reconciliation as an indication of the fact; and <p>the AO from NASS Finance should undertake ad hoc counts, the results of which should be reviewed by a senior member of the Finance Team who should sign the stocksheets as an indication of the review.</p>	Accepted	<p>The recommended procedures will be put in place.</p> <p>A dedicated team has been set up to undertake counts at least monthly and keep full records. Their manager will review the counts and record as such.</p>	30 April 2002

Recommended Action & x-ref	Category (see key)	Recommended Action	Accepted Or Rejected	Management Response	Implementation Target Date
R 17, page 16	2	The SEO recently assigned responsibility for the strongroom, should countersign the order requests for EVs prior to submission to NASS Finance.	Rejected	We consider that this is an appropriate role for the HEO manager.	
R 18, page 16	2	Consideration should be given implementing a system whereby the average daily usage of EVs is compared to the total stock of EVs held at all locations to ensure that the overall stockholding is kept to a realistic minimum.	Partly Accepted	When APs request emergency vouchers their current request states the current stock held. However, we will update the relevant procedures, whilst having regard to realistic operational needs.	30 June 2002
R 19, page 17	2	Any revised desk instruction for the strongroom should state that time expired EVs are returned to Sodexho weekly where possible.	Accepted	Instructions will be revised	30 June 2002
R 20, page 17	1	Procedures should be are introduced to ensure that those wanded EVs returned to the strongroom can be independently verified, for example against a report from ASYS.	Partly Accepted	This reflects the impact of the packs which are not identified individually. It would need an enhancement to ASYS, however without EVs individual barcodes there would be much point. An opportunity presents itself with the new cash EVs being introduced but the ASYS enhancement cannot be given a priority and must follow the ARC cash payment work, which has taken priority over other equally pressing enhancements. It would <u>not</u> be possible to deliver anything before the end of the year.	31 December 2002

Recommended Action & x-ref	Category (see key)	Recommended Action	Accepted Or Rejected	Management Response	Implementation Target Date
R 21, page 18	1	The SCO should be provided with an up to date list along with specimen signatures of all APs and SEOs responsible for signing the daily EV requests on the strongroom. The list should also be updated promptly to reflect staff changes.	Accepted	Finance maintains a list of all APs and strongroom personnel. All relevant signatures will be recorded.	30 April 2002
R 22, page 19	1	In relation to the EV stocks held by APs: <ul style="list-style-type: none"> • all vouchers held by the APs other than those in the sealed Sodexo parcels should be counted daily; • the relevant SEO, as well as NASS Finance, should be formally notified of all differences of the daily stocktakes; • the SEOs for each Team should carry out spot checks on the quantities of vouchers held against the book stock and should sign the daily record sheet as an indication that the stock has been checked; • the checks by NASS Finance, both stocktakes and the reconciliations, should be carried out on all AP stations once a month notwithstanding the fact that differences may not have been reported; and • adequate evidence of the NASS Finance checks should be retained, including indication that the results have been reviewed by a senior member of the Finance Team. 	Accepted	This should be part of current practice and it will be implemented where it is not. It is not part of the current SEO role. Unclear as why it needs to be at SEO level. Why not an HEO task? 2 members of staff have been given this as specific duty and to maintain records. They will keep a detailed folder recording checks one, who is an authorised AP and SCO. Their manager will review this file on a regular basis	30 April 2002
R 23, page 19	2	The limits placed on the AP safes should be clarified and set at agreed limits; those set should be appropriate to the efficient working of the various Teams responsible for EVs. Furthermore all staff should be are informed of the limits, and that under no circumstances should they be exceeded.	Partly Accepted	While there is no question that limits on the contents of AP safes is without question, excessive limits would create huge logistical and security issues. We are looking at how these issues can be overcome.	30 June 2002

Recommended Action & x-ref	Category (see key)	Recommended Action	Accepted Or Rejected	Management Response	Implementation Target Date
R 24, page 20	2	The procedures for unwanded vouchers should be clarified so that when they are returned at the end of the day to the AP, both the caseworker and the AP acknowledge the return by signing the daily record sheet.	Accepted	This should be happening already and is in most areas. Steps will be taken to ensure that it is in all areas.	30 April 2002
R 25, page 21	2	Sodexo should be asked to provide a detailed breakdown of the numbers vouchers printed each month so that these can be compared to the original orders.	No longer relevant		
R 26, page 21	2	The Contract Manager responsible for Sodexo should address this concern with the Company with the view to making the alternative voucher design more secure.	No longer relevant		

KEY:

Category 1: Weaknesses in control, which, *if not rectified immediately*, expose the Organisation/system to a high probability that the objectives will not be met.
 Category 2: Weaknesses in control, which, *if not rectified as soon as possible*, expose the organisation/system to a probability that the objectives will not be met.

Green: recommendation will still be relevant under the new cash tokens system.
 Yellow: recommendation may be relevant under the new cash tokens system.
 Red: recommendation no longer relevant.