

# Appendix 1 – Summary of Key Issues from Final Accounts and Interim Audits.

**Table 1 Action Plan**

Finding	Recommendation	Priority	Target Date	Response/Responsible Officer
<b>Creditors</b>				
It was found while performing a walkthrough on the creditors system, that purchase orders are not always being raised for the ordering of goods and services.	Raise purchase orders for all goods and services as it is part of the authority's procedures.	Low	Ongoing	<b>Ruth Hopkins</b> A reminder has been issued on 21/10/08 to all departments to reinforce the need for PO's. This will be monitored quarterly and further reminders will be issued where necessary.
The cheque payment run is not reviewed prior to cheques being printed and sent out.	Review and evidence the cheque payment run in order to ensure payments made are valid.	Medium	31 December 2008	<b>Jessica Lacey</b> Procedure to be reviewed and set up as per the BAC's run approvals
<b>Car Parking</b>				
The authority keeps a record of all car park tickets from the machines that are emptied by the external security firm. These tickets are numbered consecutively to provide	Follow up missing cash receipts from car park machines to provide assurance all income is accounted for.	Low	31 March 2009	<b>Jo Harwood</b> Procedure to be reviewed and track follow up

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an audit trail. However where gaps are noted in the monitoring document these are not followed up by the authority.	Risk of fraud if reasons for gaps in the monitoring spreadsheet are not investigated.			
<b>Council Tax</b>				
Although independent checks of the accuracy of the input of Band D Council Tax Rates to I-World were carried out for 2007/08, this was not evidenced.	Retain documentation to demonstrate that the input of Band D Council Tax rates is subject to an independent check of accuracy	Medium	31 March 2009	<b>Andy Taplin</b> Procedure Update - supporting evidence is to be included in the annual billing procedure in the future.
Review of the final RRV411 run as part of the 2007/08 CTAX billing run identified that there were 486 items classified as "Unbanded without Request". Staff were not readily able to identify why there were this number of items or what the classification meant.	Review all accounts classified as "Unbanded without Request" and take appropriate action as required, (e.g. bill, delete account)	Medium	31 March 2009	<b>Andy Taplin</b> Procedure update - the RRV411 report is to be checked for any discrepancies as part of the annual billing process.
The authority carries out checks on information processed on I-world by staff. However for work carried out in May 07 the checks weren't preformed until Jan 08. The lack of timeliness of the checking reduces its value as any issues arising, e.g. incorrect processing are not promptly identified and addressed.	Ensure that sample checking of staff's work is carried out on a prompt basis	Medium	Ongoing	<b>Andy Taplin</b> These checks are time consuming and work is being carried out to make the process timelier. As and when issues are identified individuals are informed and training issues addressed.

<b>Finding</b>	<b>Recommendation</b>	<b>Priority</b>	<b>Target Date</b>	<b>Response/Responsible Officer</b>
<b>National non-domestic rates</b>				
Whilst we were informed that the input of NDR multipliers for 2007/08 onto I-World was subject to an independent check of accuracy, no supporting evidence to show this important check was prepared/retained.	Prepare/retain documentation to substantiate independent review of accuracy of input of NDR multipliers	Medium	31 March 2009	<b>Ray Cox</b> Evidence of 2008/09 has been retained. This will be part of the annual billing process in the future.
<b>Treasury Management</b>				
Whilst we were informed that Counterparty confirmations received are checked to details of the loan, interest rate, etc. held on LOMAS, this check is not documented	Retain evidence of the check of LOMAS back to third party confirmations. This should show who did the check and what details were checked and results.	Medium	31 March 2009	<b>Karen Curtin</b> Procedure to be reviewed and treasury management Manual to be amended accordingly.
<b>Payroll</b>				
There is no regular confirmation from budget holders about the names, grade, cost centre and salary of their staff. This increases the risk that payroll costs are inaccurate.	Ensure that budget holders confirm the pay of their staff on a regular basis. i.e. Six monthly	Medium	31 March 2009	<b>HR/Karen Curtin</b> The details are checked annually as part of the budget process and the creation of the salary working papers. Procedure to be reviewed to consider a further review as part of 6 or 9 month projections and budget monitoring.

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<b>Bad Debt Provision</b>				
<p>The bad debt provision is zero on all debts under 60 days - this includes some items from debtors control and some debtors accruals 'provisional debtors'</p> <p>The reasoning for this is that the level of write offs at CDC is negligible but still unless collection is 100% they need to ensure that the BDP continues to reflect overall collection rates on new debts.</p>	<p>Keep under review the BDP and ensure that the zero BDP on new debts is justified.</p>	<p>Low</p>	<p>31 March 2009</p>	<p><b>Jessica Lacey</b> Bad debt policy is reviewed annually and current circumstances relating to write offs and collection rates is used to evaluate BDP.</p>
<b>Community Assets</b>				
<p>Woodgreen leisure centre currently classed as a community asset.</p> <p>However this needs to be reassessed when it is developed and it becomes part of CDC services</p>	<p>Reassess classification of Woodgreen leisure centre when developed</p>	<p>Medium</p>	<p>31 March 2009</p>	<p><b>Jessica Lacey</b> This will be picked up as part of the asset review and ongoing asset register management. Liaison on PWC technical helpline and Audit commission prior to Closedown to agree treatment in light of expenditure relating to the pool.</p>

<b>Finding</b>	<b>Recommendation</b>	<b>Priority</b>	<b>Target Date</b>	<b>Response/Responsible Officer</b>
<b>Prior Year Amendments</b>				
The Council had considered the appropriateness of prior year adjustments with the auditors prior to issuing the draft statements. However detailed consideration revealed that adjustments put through on the accounts were not FRS3 compliant	Ensure that all prior year amendments are FRS 3 compliant; either a change in accounting policy or a fundamental error in a prior year period that needs correcting	Medium	31 March 2009	<b>Karen Curtin</b> Noted – all further adjustments will fall within the 2 categories.
<b>Impairment</b>				
Impairments have been made on investments properties in the accounts, this entry is not allowed on the Whole of Government accounts return.	Resolve the appropriateness of charging impairment on investment properties.	Medium	31 January 2009	<b>Jessica Lacey</b> Noted – this will be reviewed as part of the trial closedown in December 2008 and procedures will be updated for the 2008/09 closedown.
<b>Disclosure</b>				
The disclosure of the exceptional items in the Income and Expenditure account was not fully SORP compliant. All items were put below the net cost of services line. Items that relate to specific service need to be disclosed separately, but just below the service line so that it is clear that the service does contain	Ensure that the disclosure of exceptional and extraordinary items is SORP compliant	Medium	31 May 2009	<b>Karen Curtin</b> Noted – all disclosures will be recorded as per SORP guidelines.

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<p>an exceptional item. Where exceptional items are not allocated to a particular service, this needs to be shown below the individual services but above the net cost of services line.</p>				
<p><b>Redundancy and Retirement costs,</b></p>				
<p>Due to the reorganisation future early retirement and redundancy costs have been incurred but not taken into account within the financial statements.</p>	<p>When accounts are compiled ensure that key events are appropriately reflected. For example the £1.3m or early retirement and redundancies,</p>	<p>High</p>	<p>31 January 2009</p>	<p><b>Karen Curtin</b> Noted – any key events in 2008/09 will be reviewed as part of the December trial closedown and accounting treatment will be considered prior to Closedown and discussed as necessary with Audit Commission.</p>
<p><b>Whole of Government Accounts</b></p>				
<p>This was received close to the deadline and contained a number of errors which increased the time being spent on the work.</p>	<p>Ensure that the Whole of Government Accounts is provided on a timely basis and agree to the figures in the accounts.</p>	<p>High</p>	<p>August 09</p>	<p><b>Jessica Lacey</b> An agreed timetable for the provision of the WGA will be agreed at the start of the audit. This will allow adequate time to complete and ensure a review period that will reduce the minor errors.</p>

