

Appendix 1 Action Plan with February 2012 update

Recommendations

Recommendation 1

Review of the financial reporting and control function and make the changes required to ensure it is fit for purpose.

Responsibility	Director of Finance and Corporate Services
Priority	High
Date	31 December 2011
Comments	We are undertaking a review of the skills and capacity required within the financial reporting and control function. This will focus on ensuring that all the activities in producing the 2011/12 accounts are allocated to individuals with clear monitoring and tracking of delivery.
Update Feb 2012	Review undertaken and year end closedown plan (Recommendation 4) reflects the allocation of activities to individuals. Audit Commission training course attended by two key members of staff involved in year end process. Audit Commission presentation to finance staff regarding feedback on 10/11 audit and key issues for 11/12 took place on 16 January 2012.

Recommendation 2

Approve, sign and publish audited accounts in accordance with section 8 of The Accounts and Audit (England) Regulations 2011

Responsibility	Director of Finance and Corporate Services
Priority	High
Date	30 September 2012
Comments	Building on lessons learned from 2010/11 audit process the timetable for 2011/12 has been drafted which is in accordance with statutory requirements. This will be shared with the Audit Commission for feedback to ensure robust plan is in place.
Update Feb 2012	Timetables for central finance team, finance business partners and budget holders have been produced to enable statutory timescales to be met.

Recommendation 3

Provide financial statements for audit that include all relevant accounting entries for the year under review

Responsibility	Deputy Director of Finance
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Priority	High
Date	30 June 2012
Comments	Following implementation of IFRS the closedown timetable for 2011/12 sets out in detail the key activities and milestones to ensure comprehensive coverage in the accounts including finance leases
Update Feb 2012	All relevant accounting requirements covered by final accounts plan. Review of approach to Heritage Assets well advanced with Audit Commission.

Recommendation 4

Manage year end closedown against a robust close down plan, which contains clearly identified roles, responsibilities and target dates.

Responsibility	Deputy Director of Finance
Priority	High
Date	30 June 2012
Comments	Robust closedown plan has been drafted and will be shared with the Audit Commission for feedback. The closedown process will be actively project managed to ensure progress remains on track and that risks and issues are addressed.
Update Feb 2012	Closedown plan was shared with Audit Commission and is used as the basis for weekly review meetings with Council and Audit Commission officers. The meetings cover – review of actions in last week; activities for week ahead; risks and issues; overall review of progress against milestones in project plan.

Recommendation 5

Maintain and collate working papers to support the preparation and audit of the financial statements on a timely basis

Responsibility	Head of Financial Management
Priority	High
Date	30 June 2012
Comments	We will confirm working paper requirements with the Audit Commission. The closedown timetable has built in activity to monitor the creation and review of working papers to ensure that these support the entries in the financial statements.
Update Feb 2012	Working paper requirements list has been provided by the Audit Commission and is currently being reviewed by Council officers.

Recommendation 6

Review in year changes in to PFI agreements and the accuracy of accounting entries on an annual

basis.

Responsibility	Head of Financial Management
Priority	Medium
Date	30 April 2012
Comments	Closedown plan includes all the activities relating to reviewing PFI agreements for changes.
Update Feb 2012	Latest review of PFI agreements (Jan 2012) has not identified changes. This will be reviewed again for year end.

Recommendation 7

Ensure quality control and internal review processes are part of the monthly and year end close down process.

Responsibility	Head of Financial Management
Priority	High
Date	These have commenced
Comments	Reporting of key internal control processes reported to Strategic Finance Group from November 2011 onwards. This sets out latest position and areas for further action.
Update Feb 2012	Monthly reports to Strategic Finance Group (SFG) have continued. Audit Commission officers to attend SFG meeting in March.

Recommendation 8

Clear the remaining unreconciled migrated balances in debtors and creditors.

Responsibility	Head of Financial Management
Priority	High
Date	31 December 2011
Comments	This work has already commenced and will be completed by the end of December 2011.
Update Feb 2012	Completed. Work focussing on 11/12 entries in advance of year end.

Recommendation 9

Clear material outstanding items within reconciliation controls in a timely manner on the bank reconciliation.

Responsibility	Head of Financial Management
Priority	High
Date	31 January 2012
Comments	Specific project underway to clear residual items within the system. The groundwork for this was undertaken as part of the 2010/11 audit process.

	Once completed this will enable full system reconciliations.
Update Feb 2012	Work on outstanding items completed. Now working on current entries as part on on-going reconciliation processes

Recommendation 10

Reconcile the bank account balance in the general ledger to the bank statement.

Responsibility	Head of Finance Service Centre
Priority	High
Date	31 January 2012
Comments	Ongoing reconciliation taking place during 2011/12. Full system reconciliation report will be in place once project referred to above completed.

Update Feb 2012 At 10 February the bank reconciliation difference as at 31 January 2012 was £46k.

Recommendation 11

Ensure managements overall analytical review of the financial statements includes debtors and creditors.

Responsibility	Head of Financial Management
Priority	Medium
Date	31 May 2012
Comments	Closedown plan includes analytical review of all balance sheet items including debtors and creditors.

Update Feb 2012 As referred to under Recommendation 8 reviews of debtor/creditor balances being undertaken in preparation for year end. Overall analytical review will be completed at year end.

Recommendation 12

Produce draft financial statements that comply with requirements of IFRS and Cipfa Code

Responsibility	Finance Manager (Financial Reporting)
Priority	High
Date	31 May 2012
Comments	Updated guidance will be reviewed when published and the Finance Manager will agree all requirements including new and amended notes with the Audit Commission in advance of the audit.

Update Feb 2012 Financial statements have been reviewed for new requirements from CIPFA Code and from information obtained from Audit Commission workshops. We are in currently discussion with the Audit Commission regarding two key issues (valuations of housing stock and treatment of

non-maintained schools) to agree treatment in advance of year end.

Recommendation 13

Undertake a self review of compliance against disclosure requirements using disclosure checklists (available from Cipfa and Audit Commission) as part of the Council's year end closure arrangements.

Responsibility Finance Manager (Financial Reporting)

Priority High

Date 31 May 2012

Comments Updated disclosure checklists will be reviewed and requirements agreed with the Audit Commission in advance of the audit. All requirements will be allocated to specific officers to ensure information produced on time.

Update Feb 2012 As per Recommendation 12, latest requirements have been reviewed to identify changes. In some cases (eg HRA changes) technical guidance is still awaited from CIPFA and will be incorporated when published.

Recommendation 14

Have regard to the increased level of financial risk when setting the level of Council general reserves.

Responsibility Director of Finance and Corporate Services

Priority High

Date 27 February 2012

Comments The budget setting report to full Council will set out the financial risks facing the Council. This will provide a basis for the calculation of non-earmarked reserves in accordance with the statutory requirement for the Director of Finance and Corporate Services to advise the Council.

Update Feb 2012 Budget report to Executive sets out risks and a proposal to increase non-earmarked reserves by £1m in 2012/13.

Recommendation 15

Review progress against action plan agreed with officers from 2 review of the One Council programme review.

Responsibility Director of Strategy, Performance and Improvement

Priority High

Date Immediate

Comments Progress against the action plan is reviewed periodically at the One Council Programme Board

Update Feb 2012 Audit Commission to review progress in March/April 2012
