

## APPENDIX 1

**MONITORING PROGRESS OF RECOMMENDATIONS RAISED BY PKF – FINAL REPORT TO THOSE CHARGED WITH GOVERNANCE**

Finding	Recommendation	Risk Priority	Response	Officer Responsible	Due Date
<b>Fixed Asset Classification</b>					
The Council did not identify the requirements of the Statement of Recommended Practice 2005 (SORP) to reclassify non-operational assets	Review the procedures used to identify changes in the SORP, to ensure that the accounts are compliant	Medium	Accepted that the two non-operational assets were not shown separately on the balance sheet as required by the SORP. This has now been corrected. The planning process for 2006/07 account closure is already in hand as there are major changes to the SORP, which have already been identified.	Financial Services Manager	June 2007
<b>Bad Debt Provision</b>					
Bad debt provisions for Council Tax, National Non Domestic Rates (NNDR) and Debtors were based upon an average of the bad debt provision calculated for the current and prior year.  This is not an appropriate basis, as the provision should be based on the current year's outstanding debtors and take account of the level of recoveries for different ages of debt that have been achieved in prior periods (we suggest 3 years).	Review the bad debt provisions to ensure that the basis for calculating the provisions are appropriate	High	Accepted	Financial Services Manager	June 2007

<b>Related Parties</b>					
Related Party Disclosure Forms had not been received from two Councillors, some 2 months after approval of the Council's financial statements	Review procedures to ensure that related party disclosure confirmations are received on a timely basis.	Medium	Accepted. Procedure now includes reminders by telephone.	Senior Accountant	June 2007

**Update as at 31/3/07**

All items form part of the Final Accounts Process and will not be completed until that time. Procedures have been revised to ensure these items are addressed within that process.