

MONITORING PROGRESS OF RECOMMENDATIONS RAISED BY PKF – SAS 610 REPORT

APPENDIX 1

RECOMMENDATIONS ARISING FROM 2004/05 AUDIT

	Conclusions from work	Recommendations	Priority	Management response	Responsibility	Timing
Accounts Audit						
1	<p>Supporting People</p> <p>Our review of a number of the detailed entries supporting the costs and income for the Supporting People activity within the Housing Revenue Account identified a number of inconsistencies. Discussions with client staff have indicated that this is a result of problems with the systems used for the recording of information in this area.</p>	<p>The Authority should review all available information in relation to Supporting People and ensure accounting records are updated accordingly.</p>	High	<p>New Housing Finance Officer appointed. This is her no 1 priority job and inroads have been made. Problem revolved around missing SP Statements from ECC-SP. Now obtained and aiding reconciliation.</p>	Housing Finance Officer	<p>End December 2005</p> <p>Implemented but will continue to be reviewed by Internal Audit as part of annual Audit Plan</p> <p>DELETE</p>
2	<p>Bad debt provision</p> <p>Bad debt provisions for Council Tax and NNDR have both been reviewed and amendments made in line with past recommendations. Our review has shown that the level of arrears has risen and that the calculation of the bad debt provisions has been based on one year's data rather than several, which may result in is a possible skewing in the results.</p>	<p>The Authority should ensure its bad debt provision calculations are updated to consider longer periods of collection data.</p>	Medium	<p>Accepted.</p> <p>Historical data will build up year-on-year to aid calculations.</p> <p><i>Update March 2006</i></p> <p>Another year of data will be added to keep data up to date</p>	Financial Services Manager	June 2006

<p>3</p>	<p>Accounts preparation</p> <p>During the course of our work we have identified a number of areas where amendments have been suggested to be made in the accounts. Following discussion with the Authority a number of these amendments have been made including:</p> <ul style="list-style-type: none"> • Revision of the value of fixed assets. • Re-analysis of the detailed creditor split disclosed within the annual accounts. • The restatement of the Asset Management Revenue Account. 	<p>The Authority should ensure its makes all possible efforts, particularly given the shortened timetable in 2006, to produce accounts to ensure complete accounts are available for audit at the earliest opportunity.</p>	<p>Medium</p>	<p>Timetable will be agreed with External Auditor, including their programme. It has already been highlighted that more estimates will be used in the preparation of the final accounts in order to meet deadlines.</p> <p><i>Update March 2006</i></p> <p>Timetable does include agreed deadlines with External Auditor</p>	<p>Financial Services Manager</p>	<p>End August 2006</p>
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FOLLOW UP OF EXTERNAL AUDIT RECOMMENDATIONS FROM PRIOR YEARS

Recommendations	Priority	Responsibility	Timing	Action to date	Resolved	Revised implementation date
Final Accounts The following recommendations arose from our review of the Authority's financial statements:						
<p>Earmarked Reserves</p> <p>All earmarked reserves should be subject to a detailed review and only retained where there is a long-term commitment to a project, such as the Park development.</p>	High	Yvonne Woodward	Budget - Dec 2004 Accts - June 2005	<p>The Authority has reduced the number of reserves disclosed within the final accounts; we note that there continue to be a large number of reserves that are maintained within the general ledger.</p> <p>11/05 We shall continue to keep earmarked reserves under review</p>	Partial	<p>March 2006</p> <p>Earmarked Reserves were fully detail in the Budget Strategy reported to Council on 31/1/06</p> <p>DELETE</p>

Recommendations	Priority	Responsibility	Timing	Action to date	Resolved	Revised implementation date
STANDARDS OF FINANCIAL CONDUCT, AND THE PREVENTION AND DETECTION OF FRAUD AND CORRUPTION						
The following recommendations arose from our review of the Authority's Standards of Financial Conduct, and arrangements for the Prevention and Detection of Fraud and Corruption.						
Staff should be required to sign a document stating that they have read and understood the code of conduct.	Medium	-	-	This will be implemented when guidance is received giving further direction of this requirement. Reported 12/05 Regulations introducing a statutory code are not expected to be issued until next year. No firm date available.	No	Ongoing. ODPM still intend to introduce a code but there is no definitive timetable. Carry forward to next review in order to provide an update