

APPENDIX 1

**MONITORING PROGRESS OF RECOMMENDATIONS RAISED BY PKF – SAS 610 REPORT  
RECOMMENDATIONS ARISING FROM 2004/05 AUDIT**

|                       | Conclusions from work  | Recommendations   | Priority      | Management response  | Responsibility                    | Timing                                 |
|-----------------------|--|---|---------------|--|-----------------------------------|--|
| <b>Accounts Audit</b> |  |   |               |  |                                   |  |
| 2                     | <p><b>Bad debt provision</b><br/>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> | <p>Medium</p> | <p>Accepted.<br/>Historical data will build up year-on-year to aid calculations.<br/><i>Update March 2006</i><br/>Another year of data will be added to keep data up to date</p> | <p>Financial Services Manager</p> | <p>Records Updated<br/><br/>DELETE</p> |

|                       | Conclusions from work   | Recommendations   | Priority      | Management response  | Responsibility                    | Timing                 |
|-----------------------|---|---|---------------|--|-----------------------------------|------------------------|
| <b>Accounts Audit</b> |   |   |               |  |                                   |                        |
| <b>3</b>              | <p><b>Accounts preparation</b></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"> <li>• Revision of the value of fixed assets.</li> <li>• Re-analysis of the detailed creditor split disclosed within the annual accounts.</li> <li>• The restatement of the Asset Management Revenue Account.</li> </ul> | <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> |

**FOLLOW UP OF EXTERNAL AUDIT RECOMMENDATIONS FROM PRIOR YEARS**

| Recommendations   | Priority | Responsibility | Timing | Action to date  | Resolved | Revised implementation date   |
|---|----------|----------------|--------|---|----------|---|
| <b>STANDARDS OF FINANCIAL CONDUCT, AND THE PREVENTION AND DETECTION OF FRAUD AND CORRUPTION</b>   |          |                |        |   |          |   |
| 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.<br>Reported 12/05<br>Regulations introducing a statutory code are not expected to be issued until next year. No firm date available. | No       | Ongoing.<br>ODPM still intend to introduce a code but there is no definitive timetable.<br>Carry forward to next review in order to provide an update |