
EXTERNAL AUDITOR REPORT UPDATES FOR 2014/15

1 INTRODUCTION

- 1.1 Recommendations from the Council's external auditors and other inspectors are monitored by Internal Audit for progress of implementation and their review falls within the discretion of this Committee.

2 FINAL REPORT TO THE AUDIT COMMITTEE FOR YEAR 2014/15

- 2.1 This report draws Members' attention to the findings, recommendations and management response arising from the final audit report for the year ended 31 March 2015 to the Audit Committee. This report was presented to this Committee by BDO, the Council's external auditor for 2014/15, on 23 September 2015.
- 2.2 Outstanding recommendations, management response and progress to date have been included as appendix 1.

3 GRANTS CLAIM AND RETURNS CERTIFICATION REPORT 2014/15

- 3.1 This report summarises the main issues and recommendations arising from the certification of grant claims and returns for the financial year ending 31 March 2015. This report was presented to this Committee by BDO, the Council's external auditor for 2014/15, on 8 March 2016.
- 3.2 Management response and progress to date in respect of recommendations made in the report are also included in appendix 1.

4 RECOMMENDATION

- 4.1 It is proposed that the Committee **RESOLVES**
- (1) That the updates provided in the monitoring sheet on external auditor recommendations arising from the final audit report to the Audit Committee be noted.

- (2) That the updates provided in the monitoring sheet on external auditor recommendations arising from the grants claim and returns certification report, for the year ended 31 March 2015 be noted.



Angela Law

Assistant Director, Legal Services

Background Papers:-

None.

For further information please contact Jim Kevany on:-

Phone: 01702 546366 Ext 3213

Email: james.kevany@rochford.gov.uk

If you would like this report in large print, Braille or another language please contact 01702 318111

BDO RECOMMENDATIONS ARISING FROM FINAL REPORT TO THE AUDIT COMMITTEE 2014/15

APPENDIX 1

CONCLUSIONS FROM WORK	RECOMMENDATIONS	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	TIMING
FINANCIAL STATEMENTS				
<p>Collection fund accounting The Council are currently recognising a liability in respect of national non-domestic arrangements in place prior to 1 April 2013. Our expectation is that this liability should now have been settled. We have also identified that the Council have not adequately updated their working paper templates to reflect current arrangements for accounting for non-domestic rates.</p>	<p>1 – Determine whether or not the liability in respect of pre-1 April 2013 national non-domestic rate arrangements should continue to be recognised by discussion with central government.</p>	<p>Agreed Update February 2016 Wrote to DCLG for verification of balances. There was no response to date. This will be further investigated as part of 2015/16 closedown.</p>	<p>Principal Accountant</p>	<p>February 2016 IMPLEMENTED</p>
USE OF RESOURCES				
<p>Contract Monitoring We reviewed a sample of contracts in place during 2014/15. We identified areas for improvement in relation to contract management.</p>	<p>6 – Develop robust contract monitoring procedures which are to be used on all contracts awarded by the Council. These procedures should include a requirement to ensure that</p>	<p>Management recognise the importance and benefits of effective contract management and have started to realign or commission resources which</p>	<p>Section 151 Officer</p>	<p>March 2016 IMPLEMENTED</p>

CONCLUSIONS FROM WORK	RECOMMENDATIONS	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	TIMING
FINANCIAL STATEMENTS				
	<p>appropriate measures of performance are identified and monitored during the life of the contract.</p> <p>Ensure senior officers more pro-actively monitor the application of contract monitoring procedures and ensure that appropriate documentation is maintained and retained.</p> <p>Seek assurance that contract monitoring procedures are being consistently applied. This may take the form of a focused piece of Internal Audit work.</p>	<p>will work collaboratively to enhance this function.</p> <p>Processes as recommended will be enhanced and risk based methodology applied.</p> <p>Update January 2016 A revision to the Council's Contract Procedure Rules, together with a supporting Sustainable Commissioning & Procurement Strategy 2015-2020, was approved by full Council on 15 December 2015</p> <p>A Working Group comprising relevant AD s and Performance & Risk Officers will be formed to ensure compliance with the Council's Contract Monitoring Procedure rules.</p> <p>This process will be assured by</p>		

CONCLUSIONS FROM WORK	RECOMMENDATIONS	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	TIMING
FINANCIAL STATEMENTS				
		periodic Internal Audit reviews. Update May 2016 The working group referred in the January update has been established		

BDO RECOMMENDATIONS ARISING FROM GRANTS CLAIM AND RETURNS CERTIFICATION REPORT 2014/15

CONCLUSIONS FROM WORK	RECOMMENDATIONS	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	TIMING
<p>Our initial testing identified one error arising due to the incorrect application of the start date of a new claim.</p>	<p>Provide training to assessors regarding the determination of start dates to new claims and changes of circumstance.</p>	<p>Staff guidance document prepared and refresher discussion planned for team meeting on 2/3/16. Attendance will be noted and follow up action taken for those not in attendance.</p> <p>Update March 2016 Discussed at Team Meeting and guidance document presented.</p>	<p>Principal Officer - Benefits</p>	<p>2/3/2016 IMPLEMENTED</p>
<p>Manual adjustments applied to address matters identified in system exception reports and in relation to housing benefit paid on two homes were processed incorrectly.</p>	<p>Independent officer to review sample of manual adjustments made on a monthly basis to confirm accuracy of input.</p>	<p>Senior Officer reviews all adjustments and 10% sample of these are double checked by Principal Officer (Benefits). A record of checks will be kept.</p> <p>Update March 2016 Procedure introduced to review on a monthly basis as detailed</p>	<p>Principal Officer - Benefits</p>	<p>1/3/2016 IMPLEMENTED</p>