

**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
<b>Accounts Audit</b>						
<b>1</b>	<b>Supporting People</b> 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.	The Authority should review all available information in relation to Supporting People and ensure accounting records are updated accordingly.	High	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.	Housing Finance Officer	End December 2005
<b>2</b>	<b>Bad debt provision</b> 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.	The Authority should ensure its bad debt provision calculations are updated to consider longer periods of collection data.	Medium	Accepted. Historical data will build up year-on-year to aid calculations	Financial Services Manager	June 2006

3	<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>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
<b>Final Accounts</b> The following recommendations arose from our review of the Authority's financial statements:						
<b>Bad Debt Provision</b> The Authority should perform a detailed review of the percentages used in calculating the bad debt provisions, basing any revised percentages on past collection rates for the age and type of debt.	High	Yvonne Woodward, Dave Deeks	June 2005	The Authority has revised its processes for calculating the year-end provision with rates now being based on past collection information. See also recommendation in Appendix A.	Yes	N/A  DELETE
<b>Bank Reconciliation</b> There is a need to ensure the reconciliations are accurate and that reconciling items are investigated and adjusted for as soon as possible	High	Dave Deeks	On-going	At the year-end there continued to be a reconciling item within the reconciliation. However, we understand that this difference has now been resolved.	Yes	N/A Bank Reconciliation forms part of annual Internal Audit Work Plan  DELETE

**FINANCE & PROCEDURES OVERVIEW & SCRUTINY COMMITTEE -  
15 December 2005**

**Item 8**

<b>Earmarked Reserves</b> 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.	High	Yvonne Woodward	Budget - Dec 2004 Accts - June 2005	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. 11/05 We shall continue to keep earmarked reserves under review	Partial	March 2006
<b>Long Term Debtors</b> The Authority should review all long-term debtors at each year-end to ensure amounts are correctly disclosed within the financial statements.	Medium	Yvonne Woodward, Andrew Brown	May 2005	All long-term debtors have been reviewed at the year-end and are now appropriately disclosed within the year-end accounts.	Yes	N/A  DELETE

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.	No	Ongoing. Regulations introducing a statutory code are not expected to be issued until next year. No firm date available.
A central contact should be instated to act as a co-ordinator for all reported fraud and to advise as necessary.	Medium	-	-	The Internal Audit department is the main resource to which any suspected frauds are reported and are therefore considered to be the central contact.	Yes	Procedures in Place  DELETE
A protocol should be set up detailing what details should be recorded, who to contact and a set format for reporting developed.	Medium	-	-	Internal Audit, the s.151 Officer and the Monitoring Officer report on fraud, therefore should the need to report arise, this can easily be discussed to ensure that reporting is consistent and complete.	Yes	Procedures in Place  DELETE