

APPENDIX 1

Conclusions from work	Recommendations	Priority	Management response	Responsibility	Timing
Final Accounts					
The following recommendations arose from our review of the Authority's financial statements:					
Bad debt provision As a result of our review of the overall process used by the Authority in calculating the bad debt provision, we have noted that despite income still being received in respect of older years, the provision for these years often remains at 100%. We are aware that this has been the method of calculation for a number of years.	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	Accepted - will be undertaken as part of the account closure for 2004/05.	YW/DD	June 05

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Bank reconciliation During our systems work at the interim we noted that there was an ongoing issue with the completion of the monthly bank reconciliation which had, for some time, included a balancing figure. We have reviewed the reconciliation as part of our work on the financial statements and have noted that, to date, the reconciliation continues to include a balancing figure.	There is a need to ensure the reconciliations are accurate and that reconciling are investigated and adjusted for as soon as possible	High	The monthly bank reconciliation process continues to be reviewed to remove the small balancing figure.	DD	On-going

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Earmarked reserves					
The Authority currently has forty four earmarked reserves, with a number having been created during the current year. Whilst we are aware that many of these will have been created for specific purposes or projects, it is not best practice to retain such a significant number of earmarked reserves.	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	Will be reviewed as part of the 05/06 budget strategy and closure of accounts 2004/05.	YW	(Budget) Dec 04 (Accounts) June 05
Long term debtors					
Whilst reviewing long term debtors we noted some concerns with the disclosure of balances within this category. Our review indicated that certain of the debts within this balance are actually due within 2-4 months rather than in excess of a year. These amounts were therefore incorrectly disclosed within the financial statements.	The Authority should review all long term debtors at each year end to ensure amounts are correctly disclosed within the financial statements.	Medium	Will be reviewed as part of the closure of accounts 2004/05	YW/AB	May 05

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STANDARDS OF FINANCIAL CONDUCT, AND THE PREVENTION AND DETECTION OF FRAUD AND CORRUPTION					
The following recommendations arose from our review of the Trust's Standards of Financial Conduct, and arrangements for the Prevention and Detection of Fraud and Corruption.					
Employees currently do not acknowledge that they have read and understood the staff Code of Conduct. Written acknowledgement provides assurance that staff are aware of what is required of them and should help to reduce instances of the code being broken.	Staff should be required to sign a document stating that they have read and understood the code of conduct.	Medium	No Statutory Code of Conduct for Officers under S82 LGA 2000 as yet - waiting for instruction from Secretary of State before introducing - acknowledgement in writing will follow this.	JH	Will be reviewed during Anti-fraud and Corruption audit in 2005/06
There is currently no centralised contact for receiving allegations of fraud or to provide guidance on issues arising. As a result there is a risk that some allegations may be overlooked or inappropriate actions taken in response to issues identified.	A central contact should be instated to act as a co-ordinator for all reported fraud and to advice as necessary.	Medium	Whistleblowing and Anti-fraud and Corruption policies adequate at present.		Will be reviewed during Anti-fraud and Corruption audit in 2005/06

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There is no standard basis for reporting and recording of fraud information. This inconsistency in reporting/recording may lead to some items not being investigated and reported appropriately. In addition, items may not be reported until a long-time after they have occurred and therefore there can not be any response on the allegation.	A protocol should be set up detailing what details should be recorded, who to contact and a set format for reporting developed.	Medium	Whistleblowing and Anti-fraud and Corruption policies adequate at present.		Will be reviewed during Anti-fraud and Corruption audit in 2005/06