

## EXTERNAL AUDITOR REPORT UPDATES FOR 2012/13

### 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 ANNUAL GOVERNANCE REPORT 2012/13

- 2.1 This report draws Members' attention to the recommendations arising from the annual governance report 2012/13. This report was presented to this Committee by BDO, the Council's external auditor, on 24 September 2013.
- 2.2 The outstanding recommendations, management responses and progress to date have been included as appendix 1.

### 3 RECOMMENDATION

- 3.1 It is proposed that the Committee **RESOLVES**

That the monitoring sheet for the BDO recommendations arising from the annual governance report 2012/13 be agreed.

Yvonne Woodward

Head of Finance

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#### Background Papers:-

None.

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

BDO RECOMMENDATIONS ARISING FROM ANNUAL GOVERNANCE REPORT 2012/13

APPENDIX 1

<b>FINANCIAL STATEMENT RECOMMENDATION</b>				
<b>Conclusions From Work</b>	<b>Recommendations</b>	<b>Management Response</b>	<b>Responsibility</b>	<b>Timing</b>
Our testing has identified that the Marketplace log used to calculate accruals at the year end is not fully complete or accurate, leading to errors within the financial statements. This log is reliant on departments within the Council providing accurate information	Sample test the information provided by the various departments for inclusion in the Marketplace log prior to calculating the estimate of accruals to be included in the financial statements	Accepted	Senior Accountant	May 2014
<b>INTERNAL CONTROL RECOMMENDATION</b>				
<b>Conclusions From Work</b>	<b>Recommendations</b>	<b>Management Response</b>	<b>Responsibility</b>	<b>Status</b>
Following a reorganisation with the Payments & Income Team, all members of the team are able to raise invoices and post receipts. The absence of a segregation of duties increases the risk of fraud	Ensure individuals within the Payments & Income Team are not able to both raise sales invoices and post receipts OR introduce additional safeguards	The size of the team and the requirement to ensure adequate cover for all functions means that strict segregation of duties is no longer practical.  Alternative controls will be put in place which will be reviewed by Internal Audit  Due November 2013	Financial Services Manager	Implemented



		<b>Management Update 19/11/13</b>  Additional management checks in respect of invoice raising and internal transfers have been introduced. Effectiveness of these will be reviewed at end of financial year		
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