

| Recommendation | Priority | Responsibility | Agreed | Comments | Date |
|---|----------|--|--------|---|----------------------------|
| R1 Seek to improve processes within Financial Services to ensure that accruals are correctly and completely reversed from the general ledger in the new financial year. | High | Assistant Director Financial Management | Yes | This will be achieved through the restructure of the accountancy team which will put in place clear management lines, individual responsibilities and delivery requirements supported by a detailed and assigned improvement plan.. | Nov/Dec 2006 |
| R2 Create sufficient codes on the general ledger so that entries can be posted to fully support balances appearing in the financial statements. This should remove the need for significant manipulation of balances outside of the general ledger. | High | Assistant Director Financial Management | Yes | This will be incorporated within the project plan for the new financial information system which will go live on 1 st April 2007. | March 2007 |
| R3 Ensure that adequate supporting evidence is available to support all significant balances and disclosures within the financial statements. | High | Assistant Director Financial Management | Yes | This will be addressed through a full and detailed internal review of the 2005/2006 closure of accounts including the findings of this report. Additional pre external audit work will be undertaken in-house for the 2006/2007 accounts. | October 2006/ June 2007 |
| R4 Seek to increase the level of officer availability to deal with queries arising from the audit, and support the audit process generally. | High | Assistant Director Financial Management | Yes | This will be addressed by the staffing review and restructuring within accountancy. | Nov/Dec 2006 |

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| R5 Fully utilise controls established within the creditor payments to ensure the validity and accuracy of payments made. | High | Assistant Director Financial Management | Yes | This is being addressed as a part of the work being undertaken in preparation for the implementation of the new financial information system. In addition good practice will be sought from other authorities. | Sept/Oct 2006 |
| R6 Seek to address the control weaknesses in the creditor payments system identified by Internal Audit. | High | Assistant Director Financial Management | Yes | This is being addressed in conjunction with the work set out above in respect of recommendation R5. | Sept/Oct 2006 |
| R7 Undertake an evidenced reconciliation of payroll system output to payroll cost data appearing within revenue codes on the general ledger to demonstrate that payroll costs are accurately reflected in the Council's accounts. | High | Assistant Director Financial Management | Yes | This is being addressed as a part of the work being undertaken in preparation for the implementation of the new financial information system. In addition good practice will be sought from other authorities. | Sept/Oct 2006 |
| R8 Ensure that samples of housing benefit payments checked for accuracy are selected by officers not directly involved with the determination of awards of housing benefit. Clearly document and evidence all checks undertaken. | High | Assistant Director Financial Management | Yes | This has already been put in place but will be reviewed and tested as part of the detailed annual final accounts procedure. | Sept 2006 |

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| R9 Continue to refine the new bank reconciliation processes. Specifically seek to ensure that amounts currently shown as miscellaneous cash are properly allocated to relevant detailed cash codes on the general ledger. | High | Assistant Director Financial Management | Yes | Recommendations from a detailed Internal Audit report, including these issues, are already being implemented. | Sept/ Dec 2006 |
| R10 Ensure that monthly bank reconciliations are being undertaken and reviewed in a timely manner during financial year 2006/2007 | High | Assistant Director Financial Management | Yes | This will be addressed by the staffing review and restructuring within accountancy. | Oct 2006/ March 2007 |
| R11 Establish a single corporate fixed asset register to be used as the basis for fixed asset entries in the financial statements. | High | Assistant Director Financial Management | Yes | This will be incorporated within the project plan for a new business information system which will go live on 1 st April 2007. | Oct 2006/ March 2007 |
| R12 Ensure that expenditure is capitalised on the fixed asset register and general ledger in the year in which it is incurred. Revaluation of fixed assets on the general ledger should only take place when supported by a valuation from a professionally qualified valuer. | High | Assistant Director Financial Management | Yes | This has already been put in place but will be reviewed and tested as part of the detailed annual final accounts procedure. | Sept 2006 |

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| R13 Apply the Council's stated accounting policies fully and consistently to all categories of assets on the fixed asset register. | High | Assistant Director Financial Management | Yes | This has already been put in place but will be reviewed and tested as part of the detailed annual final accounts procedure. | Sept 2006 |
| R14 Add to the 2005/2006 statement of internal control so that it reflects weaknesses in the control environment detected as part of work to support the audit of the financial statements | High | Assistant Director Financial Management | Yes | The following wording will be added: In addition the Council is aware from work undertaken by its own Internal Audit section of some control weaknesses within key financial systems such as Payroll, Sundry Creditors and Housing Benefits. The Council will address all of the weaknesses identified by both external and internal audit through its Improvement Plan set out below. | Sept 2006 |
| R15 Ensure that evidence and working papers are retained to support material balances and disclosures where preparing officers leave the employment of the Council | High | Assistant Director Financial Management | Yes | This will be addressed by the staffing review and restructuring within accountancy. | Oct 2006/ March 2007 |