

FINAL ACCOUNTS ACTION PLAN

Recommendation 1

The Council needs to strengthen its accounts quality assurance processes to ensure the draft financial statements are free from errors and internal inconsistencies.

Responsibility: Jo Wilcox

Date: Early June (in accordance with the Closure Timetable)

The Closure Timetable requires the draft financial statements to be completed by the 1st of June 2012, this will allow sufficient time for the accounts to be reviewed by Finance Leads and for a quality control process to be completed independently from the officers responsible for the accounts.

The timetable also allows for the Revenue Outturn Form and the Whole of Government Accounts return to be completed before the end of June, this will form an additional checking process to validate the figures included in the accounts.

The Disclosure Checklist will be completed to ensure the accounts meet the requirements of the Code of Practice.

A detailed analytical review of the Income & Expenditure Account, Balance Sheet and significant notes will be completed prior to the audit.

The Audit and Governance Committee, 29 September 2011, agreed that individual Members would become more involved in specific areas of audit and governance work as a means of developing in-depth knowledge and expertise. Councillors Martin Hardy and Sam Corcoran have been assigned to the financial statements. Regular meetings will be held to discuss progress on the accounts and the closure timetable.

The draft accounts will be provided in early June to allow members to have sight of the accounts before they are presented for audit and to involve them in the quality control process.

Recommendation 2

Responsibility: Jo Wilcox

Date: Ongoing

The Council needs to implement monthly reconciliations for cash and refunds between the revenues ledgers and the main financial ledger and to review consistency and accuracy of year end reports produced by the revenues ledgers.

Monthly reconciliations are now taking place and regular meetings are held between accountancy staff and the revenues team to improve understanding of the process. Preliminary audit work has commenced on the collection fund and will be completed in February.

Recommendation 3

The Council needs to strengthen operation of access controls to the main financial ledger.

Work has been undertaken between Cheshire West and Chester Internal Audit section, Shared Services and Cheshire East Internal Audit section to address the risks around Oracle for segregation of duties, user access rights and the associated governance around them.

Assurance testing on the three high risk areas (new employees, supplier bank account amends and refunds issued) will be undertaken as part of the key financial audit work for 2011/12, as agreed with the Audit Commission.

Progress to Date

Accountability and Control
<ol style="list-style-type: none">1. A review of the 2010-11 closure process has been completed by Corporate Finance staff incorporating feedback from service finance staff. This has identified the main problems experienced and provides recommendations for improvements to the 2011-12 process. A briefing was held with finance staff on 10th November 2011 and meetings are held on a monthly basis with Corporate Finance staff and service finance co-ordinators to progress the recommendations.2. The roles and responsibilities and agreed contribution of each officer involved in accounts preparation has been agreed and communicated. Where input is required from services this will be reinforced by closure briefings to be held in February/March 2012.
Quality Assurance (QA)
<ol style="list-style-type: none">3. Work is ongoing with Asset Management to improve data quality relating to the asset register. A revaluation of Investment Properties and schools playing fields is required before 31st March 2012 and this is underway. Asset Management and Finance staff will undertake corroborative procedures on the results of the valuer's work for assurance that the results fully address the work specified.

Working Papers and Audit Trails

4. Work is ongoing to improve the compilation of the financial information to complete the financial statements and the Revenue Outturn Form. A working group has been set up to review the reports and working papers and to ensure staff are fully trained and conversant with the procedures.
5. Following positive comments by the auditors on the 2010-11 working papers the templates have now been updated ready for completion for the 2011-12 accounts.

Planning and Guidance

6. The Closure Timetable has been completed, finance staff have been assigned specific tasks and will be given additional training where required.
7. Guidance notes have been prepared for specific areas such as the treatment of grants and capital accounting. Further guidance notes are being prepared following requests from service finance.

Other improvement areas

8. During autumn 2011 a bank reconciliation review project was launched, the key objective being to conduct a step-by-step review of the system configuration and business processes which impact on bank reconciliation, as well as of the reconciliation process itself. This is a joint project with Cheshire Shared Services and CWAC and is still ongoing. So far the review has covered 2 of the 3 bank accounts which have variances (Council Fund and Payables), with the Payroll bank account still to be reviewed. All issues on the Council Fund account are now fully understood, with technical solutions awaited. There are also two minor issues on the Payroll account which are likely to need a technical solution from Oracle. The Payables account review is proving rather more complex and time-consuming, but substantial progress has been made and we are optimistic that the issues will be fully understood and resolved before year end.
9. The Data Management and Control team are continuing to improve reconciliation procedures and a project is underway to utilise the PARIS Cash Receipting system to improve the monitoring of income using Online Returns.

Working with the Audit Commission

10. The Corporate Finance team will continue to bring technical issues to the Audit Commission as they arise and identify areas of work for early work to reduce the pressure over the summer period.

Training and Development
<p>11. A training course was provided on Capital Accounting to 25 finance staff on the 21st November 2011. This was provided by two trainers from CIPFA FAN Advisory Services and proved to be very beneficial.</p> <p>12. A member of the Corporate Finance Team attended the Final Accounts Workshop provided by the Audit Commission on 19 January 2012. Arrangements have also been made for several members of the team to attend the CIPFA 2011-12 Closure of Accounts Workshops in February 2012.</p>