

Appendix A

Management Update on The Audit Findings for the London Borough of Lewisham and Lewisham Pension Fund – Years ended 31 March 2023 & 31 March 2022 Action Plans

<b>Year</b>	<b>Assessment</b>	<b>Issue and Risk</b>	<b>Recommendations</b>	<b>Responsibility / Timescale</b>	<b>Management Action</b>
2022/23	Medium	There were still delays encountered in obtaining evidence to support samples selected for audit testing. This has an impact on the auditor's ability to complete the audit on a timely basis which has cost implications and increases the Council's audit fee.	The Council need to continue to work on the capacity within the finance team. In addition, departments across the Council need to be reminded of the importance of providing documentation to support the audit to the finance team on a timely basis.	Core Accounting	Recruitment and retention within the Core Finance team has been positive, with only one vacancy currently. There has also been the addition of an extra trainee accountant within the team. There was an all-finance closing of accounts session held on 01-Mar-24 which was well attended. At this it was made clear that areas of finance and services within the Council need to work with Core Accounting to respond to audit sample requests and queries. The Chief Accountant now attends the weekly management meetings with the Head of Service Finance and the Strategic Business Partners. At these meetings issues relating to closing are discussed. During the audit of the accounts these meetings will also be used to discuss, and chase responses to, audit queries.
2022/23	Medium	Related Parties – One member had not returned their declaration of interest form. It was also identified that the process of recording gifts and hospitality needs strengthening. The current process is that Members	Members need to provide their annual declarations in time for preparation of the draft financial statements. Members need to disclose any offer of gift and	Committee Business	Committee Business services have communicated with members the deadline for completing, signing and returning the declaration of interest form. This will be followed up to ensure a 100% return rate. The process of disclosing and recording gifts and hospitality is being reviewed.

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		submit one annual form with all the gifts and hospitality received in year.	hospitality as and when this is offered.		
2022/23	Medium	Testing of related party interests identified two Members that were directors in companies that had not disclosed these interests in their declaration form. The Members did not control either the Council or the companies so no disclosure in the financial statements was required.	The Council need to undertake their own testing to ensure the completeness and accuracy of Members related party interest disclosures.	Core Accounting & Committee Business	Guidance notes for Members on how to complete the interests in the declaration form are being revised to make it clear what a related party is, and how to identify one. When reviewing the declaration forms and compiling the backing for the Related parties note to the accounts officers will also carry out similar reviews that the auditors carry out. That is to search on Companies House for any companies that Members may be directors of.
2021/22	Medium	The Council has significant credit balances on Council Tax and NNDR accounts due to residents and businesses. These balances have remained outstanding for several years	The Council need to take action to repay these creditors. In the instance where the residents or businesses cannot be traced and the legal time limits have expired, the Council should write back these amounts.	Resident and Business Services Ongoing work in progress	Action will take place during Summer to proactively contact customers where details are held to refund these sums. Where contact is not made, the amounts will be written off. Should customers contact Lewisham at any time, we will write back the credit and raise a refund All write off balances will be reported to the Director of Finance for review and approval. The project commenced in June-23 <b>Management update (Nov-23)</b>

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					<p>The review has recently been completed for Business Rates accounts and £2m has been written back. The review of Council Tax accounts will be beginning shortly.</p> <p><b>Management update (June-24)</b> The review of Council Tax is ongoing, currently the team are in the process of cleansing the data and the plan is to have the reviewed completed by 01 November 2024.</p> <p><b>Management update (Aug-24)</b> For Business Rates accounts £3.3m has now been written back. For Council Tax a bespoke automation process has been developed and tested. £1.6m is due to be written back next week with more to follow during the year.</p>