

**Audit Findings Report 2019/20 – Appendix A – Assessment Issue and Risk Recommendations
Officer Action Plan for Main Accounts**

Assessment (GT)	Issue and Risk (GT)	Recommendations (GT)	Responsible Officer (LBL)	Officer Action (LBL)	Target Date (LBL)	Completed Date (LBL)
1) High	The draft financial statements provided for audit continued to contain more misstatements than expected. A robust management review may have identified and corrected some of these misstatements prior to submission for audit.	Ensure that sufficient time is built into your closedown processes to enable a robust management and quality review to be completed prior to the financial statements being submitted for audit.	Acting Group Finance Manager (Core Accounting)	<ul style="list-style-type: none"> - Closing timetable for 2020/21 to be updated to allow more time for management review. - Ensure that the review actually takes place before submission of financial statements for audit. 	<ul style="list-style-type: none"> - Update timetable by 05/02/21 - Review statements by 25/06/21 	
2) Medium	The Council did not request their external valuers to undertake a valuation of all their surplus assets in accordance with International Financial Reporting Standards.	Check that the instructions given to your external valuers are in line with the accounting standards.	Acting Group Finance Manager (Core Accounting)	Terms of engagement sent to valuers on 22/01/21. Checked that these are in line with accounting standards.	22/01/21	22/01/21
3) Medium	Our sample cut-off testing from bank statements in April and May 2020 identified four expenditure items totalling £175k that related to 2019/20 that had not been accrued. This error extrapolated to £1,811k. Similarly our sample testing of invoices received in April and May 2020 identified expenditure items totalling £346k that related to 2019/20 that had not been accrued. We extended our	All officers of the Council need to be reminded of the importance of coding expenditure to the year in which it relates. Review processes need to be enhanced to identify any potential unrecorded liabilities.	Acting Group Finance Manager (Core Accounting)	<ul style="list-style-type: none"> - Officers to be reminded of this requirement via updated closing guidance notes - This reminder will be reinforced as part of the annual 'all finance staff' meeting dedicated to the close down and audit process in early March 2021. - Review work to be carried out during closing process 	<ul style="list-style-type: none"> - Update and issue guidance notes by 19/02/21 - Review work by 04/06/21 	

	testing and did not find any more errors. This error extrapolated to £4,842k. Your cut-off procedures need strengthening to ensure that expenditure is coded in the year in which it relates.					
4) Medium	The Council requires Members to declare any interests at the beginning of meetings and to update their declarations if there are changes to their existing circumstances. These declarations are held in a central database and the Council's website updated accordingly. However, the Council does not have in place an annual declaration form for Members to complete as part of the accounts process. There is a risk that related party disclosures could be missed.	All Members should be required to complete a year end declaration of interest form. Nil returns should be mandatory.	Head of Governance Support and Acting Group Finance Manager (Core Accounting)	- Send form to all Members at year-end - Ensure that all forms are returned, including nil returns - Escalate where necessary to the respective Executive Director	- Send form by 01/04/21 - Ensure returned by 30/04/21	
5) High	Our testing of IT General Controls identified the following findings which have been reported in detail to management: • System Administrator accounts with excessive elevated business responsibilities • End-users with critical IT privileges within Oracle	Management should implement the recommendations raised in the IT General controls report.	Director for IT and Digital	<i>Please note – detailed update attached at Appendix B</i>	<i>Please note – detailed update attached at Appendix B</i>	

	<ul style="list-style-type: none"> • Lack of defined IT processes for Oracle Fusion • Minimal password security within Oracle • Audit logging is not proactively monitored within Oracle • Lack of Periodic Third-Party Service Assurance Report Review for Oracle, ResourceLink and Academy • End-users, IT managers and leavers with Security Administration Rights within Academy, ResourceLink and Active Directory • Periodic Employee Acknowledgement of InfoSec Policy Requirements • Removing Leavers' Access Rights within Academy and Active Directory • Inadequate Minimum Password Length Enforcement within ResourceLink • Lack of Policies, Processes and Security for Batch Processing 					
6) Medium	Brief explanations are provided within reports, explaining reasons why individual savings programmes have not delivered. The reports would be further enhanced by explaining the action the Council is taking to bring the	Explain in savings monitoring reports action the Council is taking to bring under-performing savings programmes back on track and the progress of alternative	Director of Financial Services	<ul style="list-style-type: none"> - This is currently being set out in the 2019/20 financial forecasts reports which are presented to EMT monthly - RAG rated assessment of the delivery of achieved savings have been introduced as part of monthly reporting. 	This is under continual review and a comprehensive assessment of savings delivery will be provided as part of the 2020/21 final	

	savings back on track and highlighting progress of alternative programmes to mitigate the under-delivery.	programmes which are mitigating the under-delivery.		- Continued improvement of the explanations form part of the month by month improvements of reporting on savings plans with support from the newly re-formed PMO.	outturn report in June 2021	
7) Medium	A third of the proposed savings were not delivered. This indicates potential weaknesses in the arrangements for identifying suitable and realistic savings schemes and / or arrangements for ensuring effective implementation. The need to understand the reason for under-delivery is particularly important given the increased savings requirements built into your future financial plans.	Review processes for identifying suitable savings schemes and ensuring proposals are appropriately scrutinised, risk rated and achievable. Review processes for effective implementation of approved savings schemes to ensure they can be implemented effectively and within the agreed timescales.	Director of Corporate Resources	<ul style="list-style-type: none"> - Wider and continued engagement with Executive Directors and Directors as part of the Senior Leadership Team meetings and networks - A process has now been developed where savings proposals are considered as being Director led and owned. - Review meetings of 'at risk' proposals by the CE and S.151 officer. 	<ul style="list-style-type: none"> - Following review of 20/21 experience review of process for 21/22 and future years in line with MTFS agreed. - New approach has ensured strong EMT engagement and thematic focus for identifying service and cross-cutting opportunities aligned to Covid recovery plans - New Project Management Office resource invested in to coordinate the delivery of agreed cuts – linked to CX/s151 reviews - This work has been 	<p>Preparations completed for 3 February 2021</p> <p>Focus will now move to implementing the cuts and reporting on delivery via regular monitoring</p>

					scrutinised as part of the cuts proposals and the approach confirmed in the draft budget	
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