

## AUDIT FINDINGS REPORT ACTION PLAN - MAIN AUDIT (VALUATIONS)

Appendix 1

RECOMMENDATION	PROGRESS UPDATES	TARGET DATE
Management should modernise the record keeping by investing in a bespoke asset register or by acquiring an asset register module in the new ledger upgrade.	Demonstrations from MRI, CIPFA and Technology Forge. Approximate costs received from MRI, still waiting for costs from others. Fortnightly meetings being held. Additional procurement capacity required to move forward - hoping to get two temporary staff in post in the next couple of weeks.	Dec-22
Management should undertake a programme of property inspections to ensure that all property records are up to date.	Work is being outsourced. Brief is being prepared and work will be appointed in the new year.	
Management should include in the instructions to the valuer that they will supply evidence to support the assumptions in the valuations so that management can check and challenge the valuations before applying to the asset register and accounts.	<b><u>Ongoing - Asset Management Team to ensure that this is included in instructions and can be provided to GT if necessary.</u></b>	Ongoing
<b>MEDIUM PRIORITY</b> Management should ensure that there is formal documentation of such discussions with the external valuer.	<b><u>Ongoing - Asset Management Team to ensure that evidence of this is available to be provided to GT if necessary.</u></b>	Ongoing
Management should ensure that all assets are appropriately recorded at the land registry	<b><u>Now Complete - Paper prepared by Legal team to explain circumstances when this is not necessary</u></b>	ASAP
Management should ensure that all purchases and sales of assets are clearly aligned with the council's accommodation strategy.	N/a	Ongoing

## AUDIT FINDINGS REPORT ACTION PLAN - MAIN AUDIT (OTHER)

RECOMMENDATION	PROGRESS UPDATES	TARGET DATE
<b>HIGH PRIORITY</b> Management should ensure that there are appropriate checks in place to ensure that arrears from subsidiary systems are accurately reflected in the accounts. Specifically in relation to HB arrears management should undertake appropriate analysis to ensure the position is correctly reflected in the 2020/21 accounts (we have included this year as an uncorrected misstatement)	Received information from Revs and Bens today, now to be assessed and work out accounting entries along with provision before updating management to go to internal and external audit and audit committee. Meeting taking place on Monday 27th April with Revs and Bens. <b><u>Now approved and in place.</u></b>	30th April 2021

Management should look to simplify the bank reconciliation as currently it is extremely difficult to review by both management, which is probably a factor as to why the error was undetected by review but also for audit purposes.	Contact made with Wolverhampton to discuss their processes and procedures once closedown has passed. Reconciliations have been tidied up since April but further work will be done later in the year. <b><u>Additional work on 2019/20 has delayed work on this area.</u></b>	Dec-21
Management should continue to review impairment of receivables, building on the work done as part of the final accounts and considering further the impact of COVID-19 on the collectability of debt, as recovery procedures are implemented. Communication between the finance team and the revenues departments should be strengthened in the process of making estimates.	Communicated with Revs and Bens and provision workings to be reviewed with the data supplied from Revs and Bens and their further input. General bad debt provision agreed internally and to be presented to GT. <b><u>Now complete and agreed with GT</u></b>	May-21
Management should review the provision for appeals annually using the most up to date analyse local information and knowledge of the sector.	Process is now in place and regular reports are being run to ensure the most up to date appeals data is used and that it is checked by Revs and Bens. The final appeals provision will be discussed and agreed at a meeting between the Finance Manager and the Revs and Bens Manager. <b><u>Now complete</u></b>	May-21
<b>MEDIUM PRIORITY</b>		
Management should review controls over journals to ensure that such large journals are reviewed and approved.	Meeting held with GT and Principal Accountants to explain importance of journal approvals. <b><u>Ongoing</u></b>	Ongoing
Management should look at the controls and safeguards and controls around payments to prevent postings being made that are outside appropriate parameters.	System identified an issue with this and therefore no payment was made. The controls in the system therefore worked as they should.	N/a
Management should ensure the recommendations made in the IT report are addressed - see IT Controls sheet.		
Children's Trust pensions: We were satisfied that the accounts reflect the children's trust pensions consistent with the intention of both parties. However the paper trail to support the accounting was poor, although following discussions and legal letters was adequate for audit purposes. We recommended <ul style="list-style-type: none"> <li>• a fixed contribution rate should be confirmed as payable by the children's trust</li> <li>• The council and Trust and pension fund should more formally set out the position on the pension in a tripartite agreement.</li> </ul>	<b><u>In progress</u></b>	Dec-21
We would recommend that all schemes are reviewed at least once to ensure that the understanding of the council's commitment under the guarantees is understood and then the larger schemes updated annually.	<b><u>Now complete</u></b>	May-21
PFI Training - Portway	<b><u>Now complete</u></b>	Jun-21