

2008/09 Audit Action Plan

Audit Report	Rec. no.	Reference	Category	Recommendation	Priority	Responsibility	Agreed	Original response	Update	Date to be achieved
Annual Governance Report	Ro1	AGRo1	Accounts preparation	The Council needs to critically review the process for producing final accounts in light of the errors identified in the 2008/09 financial statements. The highest priority areas that need to be addressed are fixed assets and education (particularly schools cash).	High	Chief Financial Officer	Yes	A closure 'lessons learnt' workshop was held for finance staff and discussions have been held with the External Auditors to consider the areas where improvements are required for 2009/10. A 2009/10 Closure Action Plan has been compiled and a project team has been put together to take these actions forward. In addition, the Council is in the process of recruiting a Project Manager to manage the closure improvement programme.		January 2010
Annual Governance Report	Ro2	AGRo2	Fixed Assets	The Council needs to make sure that the transfer of assets to the new asset system is subject to extensive testing and that the project is sufficiently resourced.	High	Corporate Finance	Yes	A significant element of the implementation project is the testing of the new system to ensure that it performs as required and that records are transferred correctly from existing spreadsheets. The Council has input additional resource to ensure that the new FAR is operational by mid December 2009.		December 2009
Annual Governance Report	Ro3	AGRo3	AGS	The Council should consider the level of detail set out in the AGS about significant governance issues with a view to increasing the level of disclosure.		Chief Financial Officer	Yes	It would be helpful if the Audit Commission could provide an example of a report setting out the desired level of detail, since the Annual Governance Statement (AGS) presented for 2008-09 replicated that of 2007-08, which was accepted. We will then review the AGS in light of this.		
Annual Governance Report	Ro4	AGRo4	Fixed Assets	The Council should ensure that the paperwork retained by legal provides a clear audit trail from tender to receipt for the sale of properties for the protection of officers and as a control to prevent deliberate or accidental error.	High	Asset Management & Legal Services	Partially	The work involved in the sale of assets starts well before, and extends beyond, the legal input. The Council does not therefore consider it appropriate to retain all related paperwork on the legal files. Improvements will however be sought in the records maintained by Asset Management.		March 2010
Annual Governance Report	Ro5	AGRo5	Fixed Assets	The Council should ensure that the accounting treatment for schools meets FRS 5 and is reconsidered annually to reflect any change of status for individual schools.	High	Corporate Finance & Asset Management	Yes	Arrangements are now in place to ensure that the status of individual schools is kept under review, to ensure adherence with the requirements of FRS 5.		April 2010

2008/09 Audit Action Plan

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Annual Governance Report	Ro6	AGRo6	Accounts preparation	The Council should ensure that the accounts process allows sufficient time for a high level review prior to submission to members for approval to reduce the risk of material misstatement.	High	Corporate Finance	Yes	The Accounts are subject to internal review prior to their submission to Members for approval. However, delays in certain aspects of the 2008/09 closure programme meant that insufficient time was available to thoroughly review the accounting entries and disclosures in relation to fixed assets. A closure improvement programme is now under way for 2009/10, and this will help to ensure that sufficient time is allowed in the 2009/10 closure programme for a thorough internal review of the accounts, prior to their submission to Members.		June 2010
Annual Governance Report	Ro7	AGRo7	Schools	The Council should ensure that the accounts process allows sufficient time to check that schools income, expenditure and year end balances are not materially misstated.	High	SCF		The accounts process does not allow sufficient time to check that all schools income, expenditure and year end balances are not materially misstated. However, a sampling process will be used to determine the likelihood of such errors and every effort will be made to correct these before submission to external audit.		March 2010
Annual Governance Report	Ro8	AGRo8	Journals	Journal controls should be improved to reduce the risk of material misstatement in the accounts.	High	Corporate Finance	Yes	Journal procedures have been drafted and are currently subject to internal review (see comments against item FAMo5). It is anticipated that the journal procedures will be issued in December 2009.		December 2009
Annual Governance Report	Ro9	AGRo9	Grants	The Council should ensure that the reconciliations on significant grant claims are signed, countersigned and clearly understood as well as being supported by clear audit trails.	High	Corporate Finance	Yes	The reconciliation and sign off of grants is recognised as an area where further improvements are required. The Council therefore produced and issued an Accounting Instruction Note on grants earlier this year. In accordance with this Instruction Note, Corporate Finance (via a Grants Coordinator) now reviews all grant claims prior to their certification and submission, including a review of working papers and reconciliations. Grant workshops for Finance were held in November to provide practical guidance on the requirements with regard to grant income.		On-going

2008/09 Audit Action Plan

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Annual Governance Report	R10	AGR10	Audit working papers	The Council should ensure that the accounts process is significantly resourced so that the agreed timetable for working papers and audit deliverables is adhered to. Progress against the deliverables timetable should be monitored carefully and where there is slippage the Council should invest sufficient resource to recover that slippage so that the agreed deadlines are met.	High	Corporate Finance	Yes	A significant number of the audit working papers were provided and available at the start of the audit review of the 2008/09 accounts. However, it is acknowledged that a number of working papers were also provided late. A review of the audit working paper requirements for 2009/10 will be undertaken during December and dates agreed for the provision of those working papers. Arrangements will be put in place to ensure that these are compiled and delivered to the Auditors in accordance with agreed timelines.		December 2009 - July 2010
Annual Governance Report	R11	AGR11	Pooled budgets	The Council should account for pooled budgets in accordance with FRS 9 and ensure that there are signed legal agreements to support all such arrangements.	Medium	SCF, Adults, Health and Community Wellbeing, Environment, Sustainability and Highways, Corporate Finance	Yes	A review of partnerships in 2008/09 identified a number of arrangements that probably satisfied the definition of a pooled budget, although this is a complex area and difficult to reach a definitive view. None of the arrangements were considered to be material, either in the context of the Council's own accounts or those of the partner bodies though. The Council acknowledges the need to undertake further work in this area, and is currently considering how to take this forward.		To be determined.
Annual Governance Report	R12	AGR12	AHCW	The Council should ensure that suspended cases on A4W are resolved promptly.	Medium	Adults, Health and Community Wellbeing	Yes	Process has been revised so that Senior Operations Managers received a full list of suspended packages on a monthly basis. An SLA has been developed and signed (October 2009) between Essex Shared Services and AHCW placing obligation on AHCW to resolve suspended cases promptly. Monthly SLA performance meetings are scheduled where key performance indicators and action plans will be discussed.		March 2010
Annual Governance Report	R13	AGR13	PFI	The Council should ensure that the accounting treatment for its PFI schemes is in line with FRS 5. The value of deferred consideration should be adequately supported and the assets transferred should be removed from the Balance Sheet but recognised over the period of the contract so that the balances at the end reflect the residual value.	Medium	Corporate Finance	Yes	The 2009 SORP introduces IFRS based accounting for PFI schemes a year ahead of the date for transition to IFRS-based accounting. As a consequence, the Council is reviewing the arrangements for accounting for its PFI schemes; it is anticipated that it will no longer be possible to account for any of the existing PFI schemes off-balance sheet though and hence that the accounting arrangements will need to be reconsidered for 2009/10.		June 2010

2008/09 Audit Action Plan

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Annual Governance Report	R14	AGR14	Fixed Assets	The Council should review the arrangements for Assets under Construction, including the transfers out.	Medium	Corporate Finance	Yes	Previously, the Council has assumed that minor works, capitalised building maintenance, DDA works and other schemes which are 'block' coded are completed in the year after they are started (eg: 2008/09 schemes will be completed in 2009/10). As part of the new Fixed Assets Register project, work is in hand to review such schemes so that transfers from FAUC are undertaken when individual projects are completed, rather than as a blanket transfer in the year after the schemes started.		April 2010
Annual Governance Report	R15	AGR15	Fixed Assets	The Council should ensure that the new fixed assets register meets the SORP requirements for infrastructure.	High	Corporate Finance & Environment, Sustainability and Highways		Currently, the Council is only required to account for infrastructure assets on a historical cost basis. Thus, an aggregated historic cost balance is held within the FAR that is written down annually for depreciation. It is the Council's understanding that this is in line with the approach currently adopted by many other Councils. However, the Council recognises the need to compile an infrastructure FAR, particularly in view of the changes likely to be required as a consequence of the CIPFA Transport Infrastructure Assets Code, which has been issued in draft. Insufficient records are available to enable historic cost to be identified for individual infrastructure assets, but capital projects reaching practical completion are now being attributed to individual infrastructure assets so that, over time, the Council will build a record of the depreciated historic cost of individual infrastructure fixed assets. The Council is currently considering the implications of the CIPFA Transport Infrastructure Assets Code.		December 2009 and on-going thereafter
Annual Governance Report	R16	AGR16	AHCW	The Council should ensure that there are adequate controls operating over payments made to care providers for Supporting People.	High	Adults, Health and Community Wellbeing	Yes	Process to be reviewed to ensure that services provided are appropriately financially controlled.		January 2010
Final Accounts memo	Ro1	FAMo1	Accounts preparation	The Council should consider how to improve management of the closedown process and management review of the accounts prior to approval by members, particularly in high risk areas such as cash and fixed assets.	High	Chief Financial Officer		See reference AGRo1 - a 2009/10 Closure Action Plan has been compiled and a project team has been put together to take agreed actions forward. In addition, the Council is in the process of recruiting a Project Manager to manage the closure improvement programme.		On-going through to end of June 2010.

2008/09 Audit Action Plan

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Final Accounts memo	Ro2	FAMo2	Accounts preparation	Members should consider the risks involved in approving accounts with significant notes such as fixed assets not completed.	High	Chief Financial Officer		See reference AGRo1 - an action plan has been compiled, and a project team has been put together, to identify and implement improvements to the 2009/10 closure programme, to address the issues arising during closure of the 2008/09 accounts. It is not therefore envisaged that the 2009/10 accounts will be presented to the Audit Committee for approval with any notes omitted.		June 2010
Final Accounts memo	Ro3	FAMo3	Audit working papers	In order to facilitate an efficient audit process and reduce time pressure on the audit and Council staff, audit deliverables should be provided by the agreed deadline.	High	Corporate Finance	Yes	See comments against recommendation AGR10 . Arrangements will be put in place to ensure that audit working papers for 2009/10 are provided in accordance with agreed dates.		December 2009 - July 2010
Final Accounts memo	Ro4	FAMo4	External Audit	All officers must respond promptly to audit queries due to the tight timescale for the audit to be delivered, particularly in areas where there were significant delays in 2008/09 such as Education and Adult Social Care.	Medium	All	Yes	Corporate Finance and the Audit Commission are working to develop a process to formally log and record issues raised and to ensure any subsequent queries are properly recorded and dealt with. This will ensure all queries are visible and will be monitored on a weekly basis by the Audit Commission and Corporate Finance to ensure queries are addressed within the appropriate time frame.		June 2010
Final Accounts memo	Ro5	FAMo5	Journals	The Council should reconsider its response to previous recommendations on journal controls. Clear procedures and improved controls should be implemented as soon as possible, including the need to maintain clear audit trails for all journals.	High	Corporate Finance	Yes	An Accounting Instruction Note on journal procedures has now been drafted and has been circulated to finance colleagues for comments. It is anticipated that the Accounting Instruction Note will be formally issued in December 2009. The Accounting Instruction Note includes an explanation of the types of journals that can be raised and when each can be used, the authorisation required prior to inputting journals onto the General Ledger, the arrangements for use and management of journal batch types, conventions to be followed when referencing journals, the necessity to maintain a journals register and the framework for ensuring post entry control over journals raised.		December 2009
Final Accounts memo	Ro6	FAMo6	Schools	The Council should ensure that schools and the Schools Finance Team understand how to complete bank reconciliations correctly to avoid a material misstatement in the accounts. A sample should be reviewed by the Council at year end prior to asking members to approve the accounts.	High	SCF	Yes	Training of the Schools Finance Support Team and Consortium Support Managers will be undertaken prior to the year end to ensure that bank reconciliations are completed correctly to avoid a material misstatement in the accounts. A sample will be reviewed by the Schools Finance team prior to asking members to approve the accounts.		March 2010
Final Accounts memo	Ro7	FAMo7	Schools	Academy schools cash should be excluded from the Balance Sheet for 2009/10.	Medium	SCF	Yes	Academies accounts will be excluded from the 2009/10 Balance Sheet.		March 2010

2008/09 Audit Action Plan

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Final Accounts memo	Ro8	FAMo8	Fixed Assets	The Council needs to ensure that sufficient resource is identified to ensure that data transferred from the current fixed assets spreadsheets to the new fixed assets register system is accurate and thoroughly tested.	High	Corporate Finance	Yes	The Council has input additional resource to ensure that the new FAR is operational by mid December 2009 and that data has been accurately transferred from the current fixed assets spreadsheets by this date.		December 2009
Final Accounts memo	Ro9	FAMo9	Fixed Assets	The Council should consider harmonising de-minimis levels for IT with those for other capital expenditure.	Medium	Corporate Finance	No	The Council's general de-minimis limit (ie: limit below which capital expenditure is charged to revenue on the grounds of materiality) applies equally to IT expenditure. The £1m threshold referred to in the Auditor's report was applied to determine whether the resulting capital expenditure resulted in a tangible or intangible asset on the Council's Balance Sheet or whether it was accounted for as Revenue Expenditure Funded From Capital Under Statute (REFFCUS). The £1m threshold will cease to be applied with effect from 2009/10 though.		31st March 2010.
Final Accounts memo	R10	FAM10	Fixed Assets	Procedures need to be put in place to ensure that records of transactions relating to community assets are maintained which enable an accurate historic cost to be calculated.	Medium	Corporate Finance & Asset Management	Yes	Work has been undertaken to support the calculation of historic cost of community assets.		June 2010
Final Accounts memo	R10	FAM10	Fixed Assets	Procedures need to be put in place to ensure that disposal costs are recorded on an asset by asset basis to enable them to be included in profit and loss calculations where material.	Medium	Corporate Finance & Asset Management	Partially	The Council does currently take disposal costs into account when determining the overall loss or gain on disposal of fixed assets. The disposal costs include the costs of the Council's 'Capital Receipts Team' and the fees payable to the Council's Estates and Valuations consultant. These costs are not currently attributed to the disposal of individual assets though. Moving forward, it is intended to undertake a detailed review of these costs, to ensure that they are only taken into account in arriving at the gain or loss on disposal of fixed assets where it is appropriate to do so.		June 2010
Final Accounts memo	R10	FAM10	Leases	Procedures need to be put in place to ensure that schools leases are reviewed to ensure correct classification.	Medium	Corporate Finance / SCF	No	Information on leases held by schools is reviewed annually to ensure that records are up to date and that leases are appropriately classified. It is the Council's view that this arrangement ensures that leases are accounted for correctly, and hence that it is not necessary to put additional procedures in place.		N/A
Final Accounts memo	R11	FAM11	PFI	PFI models should be updated annually to ensure that assumptions are still valid.	Medium	SCF & Environment, Sustainability and Highways		It will be necessary to undertake a re-modelling of each PFI scheme as a consequence of the transition to IFRS based accounting. Once this re-modelling is undertaken, the model will be kept under annual review.		June 2010

2008/09 Audit Action Plan

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Final Accounts memo	R12	FAM12	Accruals	The Council should ensure that the issues identified in testing debtors and creditors are rectified for 2009/10.	Medium	Adults, Health and Community Wellbeing & Environment, Sustainability and Highways	Yes	The council has noted the audit recommendations and will address these as part of the 2009-10 closure process. Training will also be provided (Jan 2010) with appropriate checks put in place.		April 2010
Final Accounts memo	R13	FAM13	Grants	A process for reconciling income per the general ledger to notifications from grant awarding bodies should be put in place for all significant education grants, including Standards Funds. The process should be formally documented to ensure that reconciliations can be properly completed in the event of staff turnover. The reconciliation should be signed and counter-signed regularly during the year.	High	SCF	Yes	There has been improved reconciliation of income on IFS to notifications from grant awarding bodies and this will continue. The process will be formally documented and reconciliations are now reviewed by the Head of Finance on a monthly basis.		March 2010
Final Accounts memo	R14	FAM14	Schools	The Council needs to have sufficient assurance that its year end school balances are not materially misstated before asking the Members to approve the financial statements. If Internal Audit's review of the balances is the Council's way of doing this, significant queries should be resolved before the accounts are approved.	High	SCF	Yes	Schools Finance team will work with Internal Audit to ensure that the year end school balances are not materially misstated before asking the Members to approve the financial statements.		January - April 2010
Final Accounts memo	R15	FAM15	Schools	Clear guidance needs to be provided to all schools on the coding of capital and revenue expenditure. The Council should put in place arrangements for reviewing schools capital and revenue expenditure to satisfy itself that rules are being complied with. If this is to be done through internal audit reviews it should be clear which guidance is current and all school internal audit visits should include coverage of this.	High	SCF	Yes	Schools Finance team will work with Corporate Finance and others to produce clearer guidance to all schools on the coding of capital and revenue expenditure. A process for reviewing schools capital and revenue expenditure to ensure that guidance is being complied with will be agreed with Internal Audit.		February 2010
Final Accounts memo	R16	FAM16	Expenditure & income	The Council needs to reconsider its arrangements for accounting for YOF funding and the EDAAT grant to ensure that income and expenditure are not overstated.	Medium	SCF & PCPR / Corporate Finance	Yes	The arrangements for accounting for YOF and EDAAT funding will be revised to ensure that expenditure and income are not overstated in 2009/10. In addition, guidance will be issued to Finance staff to ensure they understand the requirements with regard to recharging of expenditure / income.		June 2010
Final Accounts memo	R17	FAM17	AHCW	The Council should ensure that a reconciliation between A4W and the General Ledger for debtors and creditors is carried out on a regular basis.	High	Adults, Health and Community Wellbeing	Yes	Discussions to take place with the Audit Commission to fully understand the background to this recommendation. Once this has been understood and agreed, progress will be reported back to Audit Committee.		December 2009

2008/09 Audit Action Plan

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Final Accounts memo	R18	FAM18	AHCW	The Council should ensure that care assessments are completed promptly to avoid a loss of income.	Medium	Essex Shared Services	Yes	All service users are contacted within 24 hours of a request for assistance with the completion of a financial assessment, although service users have the right to self complete or refuse to submit an assessment (non-disclosure). When the latter occurs, service users will be charged at the full cost applicable to their service from the date it has deemed to commence. If the service user provides further information following receipt of the Financial Assessment letter, this will be reviewed and taken into account for future charging A review process has been undertaken and all packages where income was not being collected has now been resolved.		Complete
Final Accounts memo	R19	FAM19	Highways	The Council should continue to reduce the number of open jobs on CONFIRM so that there are no complete jobs left open. A full reconciliation between CONFIRM and the General Ledger on an accruals basis should be carried out on a regular basis.	High	Environment, Sustainability and Highways	Yes	In order to assist the automation of accruals and for general data integrity, significant effort has been input into ensuring that jobs are marked as complete within CONFIRM. The monthly reconciliation process between CONFIRM and IFS is in place. However, it must be noted that the reconciliation is not on a full accruals basis - rather it is on a cash / payments basis.		Complete
Final Accounts memo	R20	FAM20	Highways	The Council needs to be satisfied that its procedures to ensure that obligations under Section 106 agreements are fulfilled within a reasonable period of time.	Medium	Environment, Sustainability and Highways	Yes	Environment, Sustainability and Highways Finance will review staff responsibilities and procedures to ensure that S106 obligations are undertaken on a timely basis.		March 2010
Final Accounts memo	R21	FAM21	Insurance	The Council should consider including additional information regarding the self insurance provision in the 2009/10 accounts. This should include how the balance on the provision is calculated and the nature of the risks insured against.	Low	Insurance		The Actuary's report will be able to provide all the information for inclusion in the 2009/10 Accounts.		April 2010
Interim Audit Report	Ro1	IARo1	Journals	The Council should identify and address the causes of errors made as a result of incorrect journals. This should include training and a requirement for a second officer to review journals, even if this is on a risk basis retrospectively. In addition, clear procedures should be implemented as soon as possible.	High	Corporate Finance	Yes	The Head of Corporate Finance recently signed off the terms of reference for an internal audit review of the policy and control environment for journals. An Accounting Instruction Note will be issued during 2009/10 that defines the procedures for raising journal transfers.	An Accounting Instruction Note on journal procedures has now been drafted and it is anticipated that this will be issued in December 2009.	April 2010

2008/09 Audit Action Plan

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Interim Audit Report	Ro2	IARo2	Payroll	The Council needs to ensure that controls are effective in payroll to reduce the risk of fraud including ghost employees, under payments and over payments.	High	Essex Shared Services	Yes	The Scheme of Delegation for Financial Management (SoDFM) has recently been updated and presented to Council for approval in October 2009; this defines the extent of financial management delegation within the Council. Work has been undertaken within each Directorate to assign posts to each 'authority level' within the SoDFM, and to collect sample signatures from the current incumbents of those posts. Details of authorised signatories have been made available to Payroll who, via a daily sampling exercise, are using this information to validate the authorisation of documents received. Payroll checks all 'data load' spreadsheets and an additional 30 random samples per day (600 per month) of hard copy information received.	The Scheme of Delegation for Financial Management (SoDFM) was approved by Council in October 2009 and is now available on the Council's intranet/internet.	Complete
Interim Audit Report	Ro3	IARo3	Payroll	Payroll control account reconciliations should be signed and counter signed to ensure that an officer is taking formal responsibility for the accuracy of the reconciliation and that there is independent review.	Medium	Essex Shared Services	Yes	Accounts are being signed and counter signed on a monthly basis and are up to date. Procedures and guidance regarding control account reconciliations have been put in place (via Accounting Instruction Note 3: Control and Holding Accounts) which were issued by Corporate Finance in March 2009.		Complete
Interim audit report	Ro4	IARo4	Credit notes	The Council should thoroughly review the controls in place on credit notes and ensure the following controls are implemented: (i) all credit notes should be signed and counter signed by those with the delegated authority to do so; (ii) credit notes should not be issued for irrecoverable debts as the formal write off procedures should be followed; (iii) credit notes should not be issued because the debtor cannot afford to pay at that time - the debtor should remain and payment terms agreed; (iv) credit notes should not be issued if a debt is to be recovered through deductions to payments. The deduction made should be offset against the debtor; (v) The Council should ensure that income is accounted for in the correct year, if there is significant doubt about the recoverability of a debt a provision for bad debt should be made.	High	Essex Shared Services	Yes	The Scheme of Delegation for Financial Management (referred to in response to recommendation IARo2) is being used by Essex Shared Services and Payroll to ensure that credit note requests are being authorised only by managers with delegated authority to do so.	A system modification has been written, which is now subject to final testing, to enable debts raised in error to be reversed on the day of input; this modification is expected to significantly reduce the need for credit notes to correct factual inaccuracies in future. All remaining credit notes will be raised in accordance with the Scheme of Delegation for Financial Management.	Apr-10

2008/09 Audit Action Plan

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Interim Audit Report	Ro5	IARo5	Fixed Assets	The Council has already recognised the need to implement a fixed asset system and is in the process of doing so but the underlying causes of the errors in fixed asset valuations held on the current register must be clearly understood and controls implemented in the new system to prevent similar errors continuing.	Medium	Corporate Finance	Yes	The new fixed assets register (FAR) system will help the Council to ensure that it is accounting for its fixed assets in accordance with proper accounting practice. Some of the time currently spent maintaining complex FAR spreadsheets should also be freed up, thus providing more time for a critical review and challenge of the base data on asset valuations etc.	The FAR implementation plan includes the establishment of arrangements to ensure that the FAR is updated throughout the financial year, to reduce the amount of work required at year end.	December 2009
Interim Audit Report	Ro6	IARo6	Fixed Assets	When the Council transfers information from the existing fixed assets register to the new system it should be thoroughly checked to ensure that incorrect information is not transferred.	High	Corporate Finance	Yes	The FAR implementation plan recognises the need to undertake a thorough review of the data being transferred into the new system, to mitigate the possibility of incorrect data being input.	It is currently still anticipated that the new FAR system will go live in December 2009.	December 2009
Interim Audit Report	Ro7	IARo7	Highways	The 10% sample physical inspection of Highways work should be systematic and recorded to demonstrate the control is effective.	Medium	Environment, Sustainability and Highways		The recommendation is to be discussed at the next Highways Finance Board Meeting (17 September 2009).	The issue has been discussed at Highways Finance Board and Highways Policy Budget Holders Meeting. The recommendation is accepted and it has been decided to take the opportunity to review inspection processes (ie. in relation to sampling techniques) across the whole Service and an appropriate communication to relevant staff has been issued. This will take some time to complete but is underway as at November 2009. The only concern is that we must not be too predictable in the work we sample, but this concern will be addressed within the review.	March 2010.
Interim Audit Report	Ro8	IARo8	Highways	Highways procedures should be enhanced to ensure there is adequate segregation of duties so that the same officer cannot initiate and approve an order and payment.	Medium	Environment, Sustainability and Highways	Yes	The Scheme of Delegation has now been approved and is being input into Marketplace during September. There will also be sample testing undertaken on the CONFIRM system going forward.	Work continues on cascading down the Scheme of Delegation and now that the database of authorisations is available it is hoped that all remaining signatory requirements can be addressed before the end of the Financial Year.	March 2010
Interim Audit Report	Ro9	IARo9	Highways	The Council should consider the risks of Highways maintaining separate spreadsheets outside of CONFIRM and ensure that all management information reconciles.	Medium	Environment, Sustainability and Highways	Yes	It is anticipated that this will be addressed by work currently being undertaken as part of the Purchase to Pay work stream.	The CONFIRM processes continued to be reviewed. In the meantime, the risks of conflicting sources of information are understood and the reconciliation processes between CONFIRM and the General Ledger are anticipated to assist with the concept of one version of the truth. In addition, meetings are underway between Corporate IT, the Central Financial Systems team and ESH (local programme / Confirm team) to develop the interface between IFS and CONFIRM. This interface will negate the need for the ongoing reconciliations and resultant spreadsheets.	March 2010
Interim Audit Report	R10	IAR10	Highways	The Council should reconcile the general ledger and CONFIRM regularly. These reconciliations should be signed, counter signed and retained.	High	Environment, Sustainability and Highways	Yes	CONFIRM has been materially reconciled to IFS at the end of 2008/09. A process is being set up for regular reconciliations going forward.	The process for monthly reconciliations between CONFIRM and IFS is in place.	April 2009

2008/09 Audit Action Plan

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Interim Audit Report	R11	IAR11	Insurance	The Council should reconcile the insurance, legal system and general ledger regularly during the year, they should be signed, counter signed and retained.	Medium	Insurance	Yes	A system of reconciliation is now in place. The LACHS/IFS reconciliations take place monthly and the LACHS/Solcase (now to be Visualfiles) reconciliations bi-annually. A spreadsheet record of reconciliations with the appropriate signatures is maintained. All these exercises are signed and counter signed.	A system of reconciliation has been in place for the whole of 2009/10. The General Ledger claim payments are reconciled against the recorded LACHS data every month. LACHS and SOLCASE are reconciled twice a year with the last exercise taking place just prior to the Actuary's final valuation of the Provision and Reserve at year end.	Complete
Interim Audit Report	R12	IAR12	AHCW	The Council has already agreed an action plan with internal audit to address the weaknesses identified but given the length of time some of these issues have been present it is important that progress against this action plan is monitored very closely and any slippage addressed immediately.	High	Adults, Health and Community Wellbeing	Yes	The recommendations have been acknowledged and captured as a work stream within the AHCW Putting Essex People First Programme. Progress is regularly reported and monitored by the programme sponsors (Liz Chidgey and Margaret Lee).		March 2010
Interim Audit Report	R13	IAR13	AHCW	The Council should ensure that the reported financial position for Adult Social Care is fully accrued for income and expenditure outstanding.	High	Adults, Health and Community Wellbeing	Yes	New processes introduced in 2009-10 monthly reporting have introduced monthly accruals for both income and expenditure and covers to a good degree of accuracy all material areas of spend. Further developments during the financial year will refine this process and improve the results.		March 2010