

Redditch Borough Council

As part of the audit of our Final Accounts 2014/15, our auditors, Grant Thornton, issued a number of recommendations as per s11 Audit Commission Act 1998. This is our response:

Update as at 12th April 2016

Recommendation	Action	Owner	Deadline
<p>1</p> <p>The Council should put in place robust arrangements for the production of 2015/16 financial statements, which meet statutory requirements and international financial reporting standards. In order to achieve this, the Council should:</p> <ul style="list-style-type: none"> -ensure sufficient resources and specialist skills are available to support the accounts production -introduce appropriate project management skills to the production of the financial statements 	<p>External support (via procurement tender) will be appointed.</p> <p>A detailed Final Accounts closedown and production timetable will be compiled, monitored by weekly s151 officer meetings. Slippage to be escalated, explained and immediate actions implemented to rectify.</p>	<p>Financial Services Manager</p> <p>Technical Accountant</p>	<p>complete</p> <p>complete</p>
	<p>An assessment of the level of external support required will be carried out and communicated to provider.</p>	<p>Financial Services Manager/Technical Accountant</p>	<p>complete</p>
	<p>Visits to be arranged for key closedown staff to observe processes at other local authorities, with the aim of sharing best practice.</p>	<p>Financial Services Manager and Technical Accountants</p>	<p>complete</p>
	<p>Training needs to be identified.</p>	<p>All Finance</p>	<p>complete</p>
	<p>Appropriate training to be provided which will include the mentoring of Technical Accountants and other key financial staff by external provider.</p>	<p>Financial Services Manager/Technical Accountant</p>	<p>complete</p>
<p>2</p> <p>The Council should develop a comprehensive project plan for the preparation of the accounts which ensures that:</p> <ul style="list-style-type: none"> -the financial statements are compiled directly from the ledger -the entries in the accounts are supported by good quality working papers which are available at the start of the audit -the financial statements and working papers have been subject to robust quality assurance prior to approval by the Executive Director (Finance and Resources) - provides additional training, where necessary, to ensure all staff involved in the accounts production process have the necessary skills and information; -the production of the financial statements is monitored through regular reporting to Directors and the Audit Board. 	<p>Full set of template working papers to be compiled.</p>	<p>Technical Accountants</p>	<p>22/02/2016*</p>
	<p>Meeting with external auditors to be arranged, with the aim being to agree working paper templates.</p>	<p>Financial Services Manager</p>	<p>22/02/2016*</p>
	<p>CIPFA Toolkit prior year figures to be populated as soon as available. Early training to be arranged with CIPFA consultant to ensure any errors are eliminated.</p>	<p>Technical Accountant</p>	<p>complete</p>
	<p>Reconciliation schedule to be completed with clear deadlines for each reconciliation, signed off and reviewed by the Exec Director of Finance on a monthly basis.</p>	<p>Technical Accountant</p>	<p>complete</p>
	<p>A review of the ledger system will be carried out to ensure that information required is available to download direct to the Statement of Accounts where practical</p>	<p>Technical Accountants</p>	<p>complete</p>
<p>3</p> <p>The Council should put in place robust arrangements to ensure that the budget preparation processes are based on sound assumptions which enable forecast to be made of budget out-turn, including realistic assessments of demand factors, service and demographic changes as well as sound assumptions around turnover and vacancy rates.</p>	<p>Pressures/Savings/Bids forms on staff Orb intranet currently being updated by Heads of Service and budget holders. A detailed summary to determine gap will be prepared for Members.</p>	<p>Senior Business Support Accounting Technicians</p>	<p>complete</p>
	<p>Budget-holders in discussions to determine potential changes to 2016/17 budget (on assessment of 2014/15 out-turn).</p>	<p>Business Support Accounting Technicians</p>	<p>complete</p>
<p>4</p> <p>The Council should ensure that budget monitoring processes are timely to enable an accurate forecast to be made in-year of the likely year-end out-turn and action to be taken, where necessary, to address budget variances.</p>	<p>New Financial Planning module to be implemented, giving managers more control and flexibility of their budgets.</p>	<p>Senior Business Support Accounting Technician</p>	<p>30/06/2016</p>
	<p>Quarterly monitoring statements are sent out to budget-holders within 5 working days of period end. Projections and explanations are required within a week of draft Committee reporting.</p>	<p>Business Support Accounting Technicians and budget-holders</p>	<p>ongoing</p>
	<p>Compilation of Monitoring reports for Members.</p>	<p>Senior Business Support Accounting Technician</p>	<p>ongoing</p>
	<p>Large variances to budget to be addressed with Head of Service prior to Committee with details of cause and plans to mitigate any overspends</p>	<p>Exec Director of Finance</p>	<p>ongoing</p>

* A full set of working paper requirements has not been received from Grant Thornton thus not making it feasible for the above to be completed. A meeting has been held with the Auditors to discuss requirements, but no formal documents have been received.