

Audit Commission Audit Plan 2011/12
Report by Director of Change Management and Resources

Summary: This report appends the Audit Commission's Audit Plan for the 2011/12 audit.

Recommendation: That the Audit Plan for the 2011/12 audit be noted.

1 Introduction

- 1.1 The Audit Commission's Audit Plan for the 2011/12 audit is appended (Appendix 1). The Plan sets out the work which the Commission proposes to undertake for the audit of the financial statements and the value for money conclusion for 2011/12. It confirms that the fee for the audit will be £23,238, which represents a 25% reduction on the audit fee for 2010/11.
- 1.2 The Audit Manager, David Riglar, will be attending the meeting and will introduce the Audit Plan and answer any questions.

2 Identification of Significant Risks

- 2.1 The Plan is based on the Audit Commission's risk-based approach to audit planning which identified one significant risk – changes to the Finance Team.
- 2.2 Members may recall that the Commission's Annual Governance Report for 2010/11, which was considered by this Committee at its meeting on 23 November 2011, contained a recommendation that the Authority should complete a post-implementation review of the 2010/11 accounts preparation and closedown process. This review was duly undertaken and a report of the findings was submitted to the Audit Commission. A copy of this report is appended (Appendix 2).

3 Financial Implications

- 3.1 Provision for the audit fee has been allowed in the Authority's 2012/13 budget.

Background papers: Nil

Author: Rob Holman
Date of report: 26 June 2011

Broads Plan Objectives: None

Appendices: APPENDIX 1 - Audit Commission Audit Plan 2011/12
APPENDIX 2 – Post Implementation Review of 2010/11
Accounts Preparation and Closedown Process

Audit plan

Broads Authority

Audit 2011/12



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Introduction

This plan sets out the work for the 2011/12 audit. The plan is based on the Audit Commission's risk-based approach to audit planning.

Responsibilities

The Audit Commission's Statement of Responsibilities of Auditors and of Audited Bodies sets out the respective responsibilities of the auditor and the audited body. The Audit Commission has issued a copy of the Statement to you.

The Statement summarises where the different responsibilities of auditors and of the audited body begin and end and I undertake my audit work to meet these responsibilities.

I comply with the statutory requirements governing my audit work, in particular:

- the Audit Commission Act 1998; and
- the Code of Audit Practice for local government bodies.

My audit does not relieve management or the Financial Scrutiny and Audit Committee, as those charged with governance, of their responsibilities.

Accounting statements and Whole of Government Accounts

I will carry out the audit of the accounting statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board (APB). I am required to issue an audit report giving my opinion on whether the accounts give a true and fair view.

Materiality

I will apply the concept of materiality in planning and performing my audit, in evaluating the effect of any identified misstatements, and in forming my opinion.

Identifying audit risks

I need to understand the Authority to identify any risk of material misstatement (whether due to fraud or error) in the accounting statements. I do this by:

- identifying the business risks facing the Authority, including assessing your own risk management arrangements;
- considering the financial performance of the Authority;
- assessing internal control, including reviewing the control environment, the IT control environment and internal audit; and
- assessing the risk of material misstatement arising from the activities and controls within the Authority's information systems.

Identification of significant risks

I have considered the additional risks that are relevant to the audit of the accounting statements and have set these out below.

Table 1: **Significant risk**

Risk	Audit response
<p>Finance team</p> <p>Likely changes to key finance staff (Head of Finance, S151 officer) increases risk because of diversion of capacity and focus of the finance team, which could lead to errors in the accounts or failure to meet the deadlines.</p>	<p>I will liaison with officers and reassess the risk when the revised structure is in place. The Authority is currently recruiting for a new Head of Finance.</p> <p>Monitor the planned closedown and work closely with the finance team to specify working paper requirements and risk areas in advance.</p>

Testing strategy

My audit involves:

- review and re-performance of work of your internal auditors;
- testing of the operation of controls;
- reliance on the work of other auditors;
- reliance on the work of experts; and
- substantive tests of detail of transactions and amounts.

I have sought to:

- maximise reliance, subject to review and re-performance, on the work of your internal auditors; and
- maximise the work that can be undertaken before you prepare your accounting statements.

The nature and timing of my proposed work is as follows, overleaf.

Table 2: Proposed work

	Review of internal audit	Controls testing	Reliance on the work of other auditors	Reliance on work of experts	Substantive testing
Interim visit	Corporate governance and risk management Key controls and assurance work IT overview and computer audit needs assessment	General ledger			Attend stock take.
Final visit			Pensions assets and liabilities – auditor to Norfolk Pension Fund.	Pensions liabilities and assets – Hymans Robertson and our own consulting actuary (PwC). Valuation of property, plant and equipment – NPS.	All material accounts balances and amounts. Year-end feeder system reconciliations.

I will agree with you a schedule of working papers required to support the entries in the accounting statements.

Whole of Government Accounts

Alongside my work on the accounting statements, I will also review and report to the National Audit Office on your Whole of Government Accounts (WGA) return. The extent of my review and the nature of my report are specified by the National Audit Office. I have assumed, in determining my fee, that the work required on the Authority's WGA return will be minimal, as has been the case for the previous two years.

Value for money

I consider the Authority's arrangements to secure economy, efficiency and effectiveness.

For 2011/12, the Audit Commission has revised the approach that I must follow in order to reduce the work required. This is reflected in the reduced audit fee.

I am now only required to:

- review the Annual Governance Statement;
- review the results of the work of the Audit Commission and other relevant regulatory bodies or inspectorates, to consider whether there is any impact on my responsibilities for this Authority; and
- undertake other local risk based work, as appropriate, or any work mandated by the Authority.

Identification of significant risks

I have considered the risks that are relevant to my value for money conclusion and have not identified any significant risks. As such, no local risk based work is planned. This may however change if new issues come to light.

Key milestones and deadlines

The Authority is required to prepare the accounting statements by 30 June 2012. I aim to complete my work and issue my opinion and value for money conclusion by 30 September 2012.

Table 3: **Proposed timetable and planned outputs**

Activity	Date	Output
Opinion: system walkthroughs, and controls testing	April 2012	Interim Report (if required)
Opinion: receipt of accounts and supporting working papers	By 30 June 2012	None
Opinion: substantive testing	July 2012 – September 2012	Annual Governance Report
Present Annual Governance Report at the Financial Scrutiny and Audit Committee	By 30 September 2012	Annual Governance Report
Issue opinion and value for money conclusion and certificate	By 30 September 2012	Auditor's report
Summarise overall messages from the audit	October 2012	Annual Audit Letter

The audit team

The key members of the audit team for the 2011/12 audit are as follows.

Table 4: **Audit team**

Name	Contact details	Responsibilities
Neil Harris District Auditor	neil-harris@audit-commission.gov.uk 0844 798 2414	Responsible for the overall delivery of the audit including quality of reports, signing the auditor's report and liaison with the Chief Executive.
David Riglar Audit Manager	d-riglar@audit-commission.gov.uk 0778 9032 619	Manages and coordinates the different elements of the audit work. Key point of contact for the Director of Change Management and Resources.
Mark Russell Team Leader	m-russell@audit-commission.gov.uk 0758 1621 849	Supervises the on-site audit team and responsible for raising and discussing emerging issues. Point of contact for the Head of Finance.

Independence and quality

Independence

I comply with the ethical standards issued by the APB and with the Commission's additional requirements for independence and objectivity as summarised in appendix 1.

I am not aware of any relationships that may affect the independence and objectivity of the Audit Commission, the audit team or me, that I am required by auditing and ethical standards to report to you. **Quality of service**

I aim to provide you with a fully satisfactory audit service. If, however, you are unable to deal with any difficulty through me and my team please contact Chris Westwood, Director – Standards & Technical, Audit Practice, Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ (c-westwood@audit-commission.gov.uk) who will look into any complaint promptly and to do what he can to resolve the position.

If you are still not satisfied you may of course take up the matter with the Audit Commission's Complaints Investigation Officer (The Audit Commission, Westward House, Lime Kiln Close, Stoke Gifford, Bristol BS34 8SR).

Fees

The fee for the audit is £23,238, as set out in my letter of 28 April 2011.

The audit fee

The Audit Commission has set a scale audit fee of £23,238 which represents a 25 per cent reduction on the audit fee for 2010/11.

The scale fee covers:

- my audit of your accounting statements and reporting on the Whole of Government Accounts return; and
- my work on reviewing your arrangements for securing economy, efficiency and effectiveness in your use of resources.

The scale fee reflects:

- the Audit Commission's decision not to increase fees in line with inflation;
- a reduction resulting from the new approach to local VFM audit work; and
- a reduction following the one-off work associated with the first-time adoption of International Financing Reporting Standards (IFRS).

Variations from the scale fee only occur where my assessments of audit risk and complexity are significantly different from those reflected in the 2010/11 fee. I have not identified significant differences and have therefore set the fee equal to the scale fee.

Assumptions

In setting the fee, I have made the assumptions set out in appendix 2. Where these assumptions are not met, I may be required to undertake more work and therefore increase the audit fee. Where this is the case, I will discuss this first with the Director of Change Management and Resources. I will then issue a supplement to the plan to record any revisions to the risk and the impact on the fee.

Appendix 1 – Independence and objectivity

Auditors appointed by the Audit Commission must comply with the Commission’s Code of Audit Practice and Standing Guidance for Auditors. When auditing the accounting statements, auditors must also comply with professional standards issued by the Auditing Practices Board (APB). These impose stringent rules to ensure the independence and objectivity of auditors. The Audit Practice puts in place robust arrangements to ensure compliance with these requirements, overseen by the Audit Practice’s Director – Standards and Technical, who serves as the Audit Practice’s Ethics Partner.

Table 5: **Independence and objectivity**

Area	Requirement	How we comply
Business, employment and personal relationships	<p>Appointed auditors and their staff should avoid any official, professional or personal relationships which may, or could reasonably be perceived to, cause them inappropriately or unjustifiably to limit the scope, extent or rigour of their work or impair the objectivity of their judgement.</p> <p>The appointed auditor and senior members of the audit team must not take part in political activity for a political party, or special interest group, whose activities relate directly to the functions of local government or NHS bodies in general, or to a particular local government or NHS body.</p>	<p>All audit staff are required to declare all potential threats to independence. Details of declarations are made available to appointed auditors. Where appropriate, staff are excluded from engagements or safeguards put in place to reduce the threat to independence to an acceptably low level.</p>

Area	Requirement	How we comply
Long association with audit clients	The appointed auditor responsible for the audit should, in all but the most exceptional circumstances, be changed at least once every seven years, with additional consideration of threats to independence after five years.	The Audit Practice maintains and monitors a central database of assignment of auditors and senior audit staff to ensure this requirement is met.
Gifts and hospitality	The appointed auditor and members of the audit team must abide by the Commission's policy on gifts, hospitality and entertainment.	All audit staff are required to declare any gifts or hospitality irrespective of whether or not they are accepted. Gifts and Hospitality may only be accepted with line manager approval.
Non-audit work	<p>Appointed auditors should not perform additional work for an audited body (that is work above the minimum required to meet their statutory responsibilities) if it would compromise their independence or might result in a reasonable perception that their independence could be compromised.</p> <p>Auditors should not accept engagements that involve commenting on the performance of other auditors appointed by the Commission on Commission work without first consulting the Commission.</p> <p>Work over a specified value must only be undertaken with the prior approval of the Audit Commission's Director of Audit Policy and Regulation.</p>	All proposed additional work is subject to review and approval by the appointed auditor and the Director – Standards and Technical, to ensure that independence is not compromised.

Code of Audit Practice, Audit Commission Standing Guidance and APB Ethical Standards

Appendix 2 – Basis for fee

In setting the fee, I have assumed the following.

- The risk in relation to the audit of the accounting statements is not significantly different to that identified for 2010/11. For example:
 - internal controls are operating effectively.
- The risk in relation to my value for money responsibilities is not significantly different to that identified for 2010/11.
- Internal Audit meets professional standards.
- Internal Audit undertakes sufficient appropriate work on all systems that provide material figures in the accounting on which I can rely.
- The Authority provides:
 - good quality working papers and records to support the accounting statements and the text of the other information to be published with the statements;
 - other information requested within agreed timescales; and
 - prompt responses to draft reports.
- There are no questions asked or objections made by local government electors.

Where these assumptions are not met, I will have to undertake more work which is likely to result in an increased audit fee.

Appendix 3 – Glossary

Accounting statements

The annual statement of accounts that the Authority is required to prepare, which report the financial performance and financial position of the Authority in accordance with the Accounts and Audit (England) Regulations 2011 and the Code of Practice on Local Authority Accounting in the United Kingdom.

Annual Audit Letter

Report issued by the auditor to the Authority after the completion of the audit that summarises the audit work carried out in the period and significant issues arising from auditors' work.

Annual Governance Report

The auditor's report on matters arising from the audit of the accounting statements presented to those charged with governance before the auditor issues their opinion [and conclusion].

Annual Governance Statement

The annual report on the Authority's systems of internal control that supports the achievement of the Authority's policies aims and objectives.

Audit of the accounts

The audit of the accounts of an audited body comprises all work carried out by an auditor under the Code to meet their statutory responsibilities under the Audit Commission Act 1998.

Audited body

A body to which the Audit Commission is responsible for appointing the external auditor.

Auditing Practices Board (APB)

The body responsible in the UK for issuing auditing standards, ethical standards and associated guidance to auditors. Its objectives are to establish high standards of auditing that meet the developing needs of users of financial information and to ensure public confidence in the auditing process.

Auditing standards

Pronouncements of the APB that contain basic principles and essential procedures with which auditors must comply, except where otherwise stated in the auditing standard concerned.

Auditor(s)

Auditors appointed by the Audit Commission.

Code (the)

The Code of Audit Practice for local government bodies issued by the Audit Commission and approved by Parliament.

Commission (the)

The Audit Commission for Local Authorities and the National Health Service in England.

Ethical Standards

Pronouncements of the APB that contain basic principles relating to independence, integrity and objectivity that apply to the conduct of audits and with which auditors must comply, except where otherwise stated in the standard concerned.

Internal control

The whole system of controls, financial and otherwise, that the Authority establishes to provide reasonable assurance of effective and efficient operations, internal financial control and compliance with laws and regulations.

Materiality

The APB defines this concept as ‘an expression of the relative significance or importance of a particular matter in the context of the accounting statements as a whole. A matter is material if its omission would reasonably influence the decisions of an addressee of the auditor’s report; likewise a misstatement is material if it would have a similar influence. Materiality may also be considered in the context of any individual primary statement within the accounting statements or of individual items included in them. Materiality is not capable of general mathematical definition, as it has both qualitative and quantitative aspects’.

The term ‘materiality’ applies only to the accounting statements. Auditors appointed by the Commission have responsibilities and duties under statute, as well as their responsibility to give an opinion on the accounting statements, which do not necessarily affect their opinion on the accounting statements.

Significance

The concept of ‘significance’ applies to these wider responsibilities and auditors adopt a level of significance that may differ from the materiality level applied to their audit of the accounting statements. Significance has both qualitative and quantitative aspects.

Those charged with governance

Those entrusted with the supervision, control and direction of the Authority. This term includes the members of the Authority and its Audit Committee.

Whole of Government Accounts

A project leading to a set of consolidated accounts for the entire UK public sector on commercial accounting principles. The Authority must submit a consolidation pack to the department for Communities and Local Government which is based on, but separate from, its accounting statements.

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The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors, members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.



Post Implementation Review of 2010/11 Accounts Preparation and Closedown Process

1. Introduction

In its Annual Governance Report for 2010/11 the Audit Commission recommended that the Broads Authority should:

“Complete a post-implementation review of the 2010/11 accounts preparation and closedown process. Identify and address the issues that led to the delay in certifying and submitting 2010/11 accounts. Ensure that the Authority’s 2011/12 accounts plan, closedown and preparation means that draft financial statements are certified and submitted for audit by 30 June 2012. As part of good quality review, management should utilise disclosure checklists to resolve IFRS compliance issues before the financial statements are submitted for audit.”

This recommendation was accepted by the Authority.

2. Timetable

In accordance with the provisions of the Accounts and Audit (England) Regulations 2011, which came into effect on 31 March, the Authority set the following timetable for the preparation of its accounts for 2010/11:

- Treasurer and Financial Adviser to sign off the completed accounts by the end of June 2011.
- Financial Scrutiny and Audit Committee to scrutinise the accounts on 12 July 2011, and to recommend them for approval to the Full Authority, subject to any suggested amendments.
- Audit Commission to undertake and complete the audit of the accounts by the end of September 2011.
- Broads Authority to consider and formally adopt the audited accounts on 23 September 2011.

In accordance with its usual procedure the Authority developed its own detailed timetable for the closing down of the accounts (copy attached). On this occasion however the Authority was not able to comply with this timetable as the process ‘slipped’ for the reasons set out below.

3. Resources

The Authority’s Head of Finance commenced a period of maternity leave on 9 May 2011. The Authority entered into an agreement with Norfolk County Council to provide a qualified accountant, for three days a week, on a secondment basis until the expected return of the Head of Finance in May 2012. The new post holder took up her duties on 21 April, allowing a period of handover.

However this arrangement – resulting in a loss of two days resource per week - coincided with a number of other factors which put the Finance Section under significant pressure during the period when the accounts were being prepared. These were:

- the requirement to produce the accounts in a new format in order to comply with International Financial Reporting Standards (IFRS), as recommended by CIPFA;
- the major reorganisation of the Authority in May 2011, and introduction of a new budget structure (to mirror that of the organisational structure) and new coding structure; and
- the additional work caused by the EU funded STEP and PRISMA projects.

It was therefore, in many respects, an exceptional year.

4. Impact of IFRS

In particular the requirements of IFRS involved a significant amount of additional work to what was already a sizeable technical exercise, working to what is still (despite the changes introduced this year) a tight timetable. Meeting the 30 June deadline was therefore a huge struggle for the Authority – as it was for a number of other local authorities, many of which had significantly more resources. Despite this the draft accounts were completed in July, and signed by the Treasurer and Financial Adviser on 4 August.

The most problematical issue, and main reason for the failure to meet the 30 June deadline, was the need to restate both the 2008/09 Balance Sheet and 2009/10 Statement of Accounts into the new format. Unfortunately, due to a lack of time and resources (because the new budget structure had only been agreed in March), it had not been possible to set up a 2010/11 template and working papers in the new format prior to the commencement of this process. This undertaking took some three to four weeks to complete, and meant that the Authority was behind the timetable from the outset. Although the draft accounts were completed and submitted to the Treasurer and Financial Adviser in July, this was only achieved through an exceptional effort on the part of the Head of Finance, amounting to something in the region of 100 hours of additional work, undertaken out of office hours.

5. Audit Programme

Through an internal oversight the Authority failed to place an advert stating that the accounts were available for public inspection on the date originally appointed by the Audit Commission. The public inspection period was therefore delayed by about four weeks, and in the end the accounts were available for inspection for 20 working days from 16 September onwards.

It is the custom of the Audit Commission to commence the audit of the Authority's accounts after it has concluded the audit of the larger local authorities in the area. This means that the Commission has not in recent years met its own deadline of 30 September and that the Authority is more vulnerable to being 'named and shamed', as it has this year, as a body which has failed to meet the deadline of 30 September set out in the Accounts and Audit Regulations.

In 2011 the complexities of local authorities moving to IFRS caused the Audit Commission additional work in auditing these new arrangements, and consequently the Commission did not commence field work on the Authority's accounts until early/mid October – although the draft accounts had been forwarded to them in early August. The audit was completed in December and the District Auditor issued an unqualified opinion and the audit certificate on 19 December.

6. Audit Findings

The Audit Commission found a number of errors within the draft financial statements provided for audit, including two material errors and issues in respect of accounting practices and financial statements disclosures. The extent of issues identified during the audit resulted in the need for the Authority to redraft its financial statements. This led to extra delays in the audit, as the Commission had to:

- repeat audit work, once the revised financial statements were produced; and
- complete additional procedures to gain sufficient audit assurance on the revised balances.

Details of the two material errors contained within the accounts are set out below.

- **Cash and Cash Equivalents.** The deposit with Broadland District Council had been classified as a Short Term Investment. It should have been classified as Cash or Cash Equivalents under IFRS due to the highly liquid nature and negligible risk associated with the deposit. Broadland District Council invests the deposit on the Authority's behalf.

This assumption was made on the basis that it had been classified as a short term investment in previous years and as officers had been advised that they could not ask for all of the money back in one lump sum. However, on closer inspection of the Service Level Agreement between the Authority and Broadland District Council, it became apparent that the Authority had access to the full amount within two working days of issuing a request. Therefore this issue was a presentational issue that arose due to the IFRS implementation. This applied to amounts carried on the balance sheet for all three years - the amounts reclassified were £1.990m for 2010/11, £3.240m for 2009/10 and £2.990m in 2008/09.

- **Non Distributed Costs.** Corporate support amounts had been included under a Non Distributed Costs line within the Comprehensive Income and Expenditure Statement that should have been apportioned to the relevant services. Again, this was purely presentational; the amounts included were accurate, just not shown in the correct place. The amounts reclassified were £1.832m for 2010/11 and £1.318m for 2009/10. This did not arise due to IFRS and was an oversight that will be addressed by including a prompt within the accounts closedown checklist.

As a result of the recommendations an IFRS disclosure checklist will be utilised in preparing the 2011/12 statement of accounts.

7. Future Resourcing

The Authority's accounts and financial arrangements are now considerably more complex than they were even five years ago, with changes in Government legislation, complex EC funding schemes, the acquisition of the Dockyard operation (and requirement for more capital funding) and more complex arrangements for shared costs. The decision of the current Head of Finance not to return to work after her maternity leave provides the Authority with an opportunity to review the structure of the Finance Section, having regard to:

- the imminent retirement of the existing Section 17 Officer, and the possibility of bringing this role in-house at some stage in the future;
- the loss of the existing Director responsible for financial affairs in March 2013, and the need to have in post an officer with the ability to oversee and guide the Authority's financial affairs, through providing advice and working alongside members and the Management Team;
- the need for sufficient technical expertise to be able to lead on the preparation of the year end statement of accounts; and
- the need to build in additional resilience into the Team so that the Authority is less reliant on one individual than it has been in the past.

Consequently it will be imperative in the future that the Authority appoints a Head of Finance with strong financial and strategic management skills and a formal financial qualification (ACCA or CIPFA) taking the lead on these matters. Such an officer could pick up some of the existing responsibilities of the Director of Change Management and Resources, including:

- business planning and preparation of the Business Plan;
- budget preparation; and
- Internal Audit.

To facilitate this it is proposed to restructure the Finance Section to:

- delegate some of the less strategic responsibilities of the current Head of Finance – such as preparing the monthly management statements, leading on STEP and PRISMA claims, monitoring carbon usage and liaising with budget holders – to the Senior finance Assistant ; and
- provide additional support through the appointment of a new Finance Assistant of perhaps three days a week. These duties might include:
 - (i) Whitlingham data processing – cash book, purchase ledger, sales ledger, etc;
 - (ii) EU grant claims for STEP/PRISMA;
 - (iii) month end journals, balance sheet reconciliations;
 - (iv) checking batches and payment runs;
 - (v) VAT returns for the Broads Authority and Whitlingham Charitable Trust; and
 - (vi) weekly cash flow.

8. Analysis of Issues and Recommended Actions

The following table sets out an analysis of the issues which caused the delay in the certifying and submitting of the 2010/11 accounts, and the actions which the Authority proposes to take to ensure that the deadline is met in 2012.

Issue	Proposed Action	Responsibility	Progress/Timescale
Inadequacy of resources as a result of the Head of Finance being on maternity leave	The Authority is taking the opportunity to restructure its Finance Section and proposes to appoint a full-time, fully qualified (ACCA or CIPFA) Head of Finance in an enhanced role.	Director of Change Management and Resources	Revised Finance Section structure agreed by Management Team. Timetable drawn up with a view to having new Head of Finance in post in May 2012.
Undue reliance on one officer only to undertake the majority of the work in preparing the accounts	The new structure will build in resilience by strengthening the Finance Section and also provide additional support for the Head of Finance in undertaking this work.	Director of Change Management and Resources	See above. Formal consultation paper circulated to staff for comments.
Complexities in implementing IFRS	The Authority will seek to appoint a new Head of Finance with some experience in the implementation of IFRS. The Authority will obtain a copy of the CIPFA Code of Practice and Guidance Notes for 2011/12 to ensure that it understands and complies with the necessary IFRS requirements and best practice in preparing the 2011/12 accounts.	Director of Change Management and Resources/Head of Finance	Head of Finance JD drawn up and agreed by Management Team. CIPFA Code and Guidance to be obtained by 31 January 2012.
Requirement to restate two years of accounts into new format in order to comply with IFRS	The accounts have now been restated into the new format, and so there will not be a need to replicate this exercise for the 2011/12 accounts.	Head of Finance	Already implemented.

Working papers not set up prior to year end in an IFRS format	A template and working papers will be drawn up prior to the 2011/12 account preparation, once the CIPFA Code of Practice and Guidance Notes have been received. This will make the process considerably less burdensome.	Head of Finance/Senior Finance Assistant	By 31 March 2012.
Delay in public inspection period	The Director of Change Management and Resources will pay particular attention to this to ensure that the public advert is posted in good time to comply with the date appointed by the District Auditor.	Director of Change Management and Resources	As part of preparation of 2011/12 accounts.
Delay in Audit Commission commencing its audit	Representations will be made to the Audit Commission to ensure that a timetable is set which will enable the Authority to meet its statutory deadline.	Director of Change Management and Resources	By 31 January 2012. To be set out in letter to District Auditor with this report.
Additional work caused by need to address material errors	The Authority will ensure that it complies with the necessary requirements and best practice as set out in the CIPFA Code of Practice and Guidance Notes in preparing the 2011/12 accounts, and by using the Accounts Closedown and IFRS Disclosure Checklists.	Head of Finance	Ongoing throughout preparation of 2011/12 accounts.

Rob Holman
Director of Change Management and Resources

January 2012

Year End Timetable 2010/11					
		10/11			
		Complete by or on (Date)	Responsibility	Completed Y/N	Notes
Fixed Assets					
	Update fixed asset register to 31/03/2011, & send out for checking to relevant budget holders	01/04/11	AA		
	Prepare fixed asset/depreciation schedules	21/04/10	AA		
	Perform Year end reconciliation of GL balances to FA workings for internal audit	28/04/11	AA		
Stock					
	Perform TIC stock takes at:-				
	Horning	29/03/11	AA/SB/EK	Y	
	Hoveton	TBC	SB	Y	
	Toad Hole Cottage	TBC	SB	Y	
	Whitlingham	24/03/11	AA/EK	Y	
	Input TIC stock take figures and delivery notes into Dimensions	By 31/03/11	SB	Y	
	Run TIC stock take figures from Dimensions	01/04/11	AA	Y	Bill has given me access to run this report myself. See y/end folder for notes
	Perform stock take of Tolls	01/04/11	AA	Y	
	Produce a list of safety DVD stock	01/04/11	AA	Y	
	Perform Dragonfly House stock take	31/03/11	AA	Y	Stamps, Electric Cards, Computer consumables
	Confirm Stock Take dates and send out instructions	18/03/11	AA	Y	
	Perform Field Base stock take	31/03/11	MN	Y	Date confirmed - Contacts = Ian Walker (3-4 hours) Meeting at 8.00 - 8.30am
	Perform Horning stock take (PH)	04/04/11	EK	Y	Date confirmed - Contact = Phil Heath (1 hour 30 mins) Meeting at 9.30am
	Perform Beccles (Island Cottage) stock take (CH)	01/04/11	MN	Y	Date confirmed - Contact = Colin Hart Meeting 10.00 - 10.30am
	Perform stock take at the Dockyard (RR/RF)	31/03/11	EK	Y	Date confirmed - Contact = Timmy Lamb Rogers (20 mins) & Richard Farley (3 hours)
	Record franking machine balance	31/03/11	AA/AMB	Y	
	Prepare stock valuation schedules & journals	19/04/11	EK	Y	
Debtors & Prepayments					
	Record last sundry debtor number used for 2010/11 (put a note in YE file)	08/04/11	MN	Y	
	Raise Whitlingham invoices	08/04/11	EK	Y	
	Reconcile SL to NL	08/04/11	MN	Y	
	Run Aged Debtors report (Paper version)	08/04/11	MN	Y	
	Close SL	08/04/11	EK	Y	
	Sales Ledger Year End Run	08/04/11	EK	Y	
	Run Aged Debtors report (File version)	08/04/11	EK	Y	
	Log all Prepayments	14/04/11	EK	Y	Spreadsheet already started with prepayments established from invoices
	Input Prepayment journal	14/04/11	EK	Y	
	Produce a list of sales ledger debtors with nominal codes, so that can split between Gen and Nav (to enable general account cash balance to be calc for defra report)	19/04/11	EK	Y	
	Prepare car loans schedule & reconcile to N/L	15/04/11	AA	Y	This is the balance sheet recs for the appropriate balance b/f and in year movement codes
	Balance Sheet Reconciliations	15/04/11	EK	Y	
	Prepare schedule of vehicle costs for 2010/11 and analysis of lease committments	15/04/11	AA		
	Prepare debtors lead schedule & reconcile to N/L	20/04/11	AA	Y	

Year End Timetable 2010/11					
		10/11			
		Complete by or on (Date)	Responsibility	Completed Y/N	Notes
Creditors & Accruals					
	Send schedule to budget holders requesting list of accruals split between gen and nav account	30/03/11	AA	Y	
	Reconcile PL to NL	07/04/11	EK	Y	
	Run Aged Creditors report (Paper & File version)	07/04/11	EK	Y	
	Close PL	07/04/11	EK	Y	
	Purchase Ledger Year End Run	07/04/11	EK		
	Deadline for accruals not on Dimensions or DMS (2 weeks given)	13/04/11	All Budget Holders	Y	
	Log invoice for accruing where goods/services were received prior to 01/04/10 split between Gen & Nav (to enable general account cash balance to be calc for defra report)	14/04/11	EK	Y	
	Input Accrual journal	14/04/11	AA	Y	
	Prepare income received in advance (Gen A/C/Nav A/C) schedule & input journals	14/04/11	AA	Y	
	Calculate HLF accrued/deferred income to 31/3/11 if appropriate	14/04/11	AA	Y	
	Prepare VAT return	21/04/11	EK	Y	
	Produce a list of purchase ledger creditors with nominal codes, so that can split between Gen and Nav	18/04/11	EK	Y	
	Prepare creditors lead schedule & reconcile to N/L	19/04/11	AA	Y	
Investments/Bank/Cash/Reserves					
	Obtain petty cash & float signatures as at 31/3/2011 (all except TIC's)	01/04/11	EK/RC/AA	Y	
	Post Purchase Ledger Payments	06/04/11	LY	Y	
	Post Sales Ledger receipts	06/04/11	LY	Y	
	Tell Bill the deadline for closing NL (Tolls transactions)	08/04/11	AA	Y	
	Prepare bank reconciliation as at 31/3/2011 & reconcile to N/L (write off cheques > 6 months)	08/04/11	LY	Y	
	Obtain petty cash & float signatures (TIC's)	28/03/11	EK	Y	
	Prepare BDC investments lead schedule & reconcile to N/L	15/04/11	AA	Y	
	Investment balance - agree with BDC	15/04/11	AA	Y	
	Prepare schedule to allocate interest received & journal	20/04/11	AA	Y	
Salaries					
	Finalise salary analysis schedule & reconcile to N/L & BDC invoices	13/04/11	EK		
	Send tolerance agreement email to Sam West at Norfolk Pension Fund	04/04/11	AA	Y	
	Prepare schedule of creditor payments to employees for P11d - Send to Simon E	06/04/11	AA		
	Request Hymans report	10/03/11	AA	Y	
	IAS19 - Check Hymans report is correct	18/04/11	AA		
Budgeting					
	Prepare Budget Booklet	31/03/11	AA	Y	
Accounts Package					
	Nominal Ledger Year End Run	TBC	EK		
DEFRA/CIPFA/National Statistics Returns (Deadline dates not yet known)					

Year End Timetable 2010/11					
		10/11			
		Complete by or on (Date)	Responsibility	Completed Y/N	Notes
Grant claim/quarterly profile of budget to DEFRA		11/03/11	AA	Y	
Complete CPR4		28/04/11	AA	Y	
Complete COR		15/07/11	MF		
Complete CER		08/04/11	AA	Y	
Complete RA Forms		20/04/11	AA	Y	
Complete RO Forms		15/07/11	MF		
WGA (Unaudited)		29/07/11	MF		
Financial Statements					
Check all Accounting policies are relevant and Code compliant			MF		
Check all notes & layout are SORP compliant			MF		
Send out IAS24 returns to members and chief officers		30/03/11	EK		
Ensure all IAS24 letters returned		21/04/11	EK		
Prepare first draft Management Statements to identify any accruals		18/04/11	AA		
Prepare Management statement		06/05/11	MF		
Review financial statements by Treasurer and Financial Adviser		26/05/11	JD		
Statement of Accounts - Deadline for FSAC		06/06/11	AA		
Financial statements taken to BA for approval		24/06/11	RH		