

Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
<i>R1 Provide a clearer audit trail from the ledger to the accounts. Ensure working papers are available for all adjustments outside APTOS.</i>	3	Ian Burbidge / Department Accountants	Yes	Auditors were provided with year end TB analysis which agreed in total with the accounts, they also received an electronic copy of the accounts showing all transactions that were not part of the APTOS ledgers. We will work to improve the audit trail in consultation with Audit Staff.	
<i>R2 Develop structured arrangements for predictive (against expectations) and reactive (against previous years) analytical review throughout the council. Ensure that all reviews are evidenced.</i>	3	Ian Burbidge / Department Accountants	Yes	Auditors have agreed to share their AR review work to assist WCC with their reviews and setting automated process into electronic accounts pack. Structured budget monitoring is done on a monthly basis however WCC do not use BVA for monthly budget monitoring therefore narratives do not match to BVA headings	
<i>R3 Ensure the working papers format mirrors the audit pack and as part of this process ensure the capital accounting and financing checklists are completed and cross-referenced.</i>	3	Ian Burbidge / David Anthony	Yes	The Capital Accounting Checklist was supplied too late to be a useful part of the process, however we will use "current" checklists in future should the latest ones not be available and trust this will meet Auditor expectations..	
<i>R4 Undertake a full self-review of the statements against the Statement of Recommended Practice (SORP). Where omissions are noted, ensure that these are addressed before submitting the statements for approval or audit.</i>	3	Ian Burbidge / Corporate Finance	Yes	Errors may have occurred due to shorter time span also very late guidance and clarification of capital accounting issues. A clear trail of the review by managers will be provided	
<i>R5 Consider including comparisons of actual against original budget in the explanatory forward.</i>	2	Already done	Yes	This is already included on page 2 of the accounts. The foreword will be developed to reflect the budget monitoring explanations also.	
<i>R6 Develop a systematic process for identifying and excluding internal debtors and creditors from the accounts.</i>	3	Already done	Yes	This protocol already exists and adjustments are made in the electronic pack. Internal invoicing has been stopped which should reduce this issue.	

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<i>R7 Regularly review all control accounts and clear all suspense balances during closedown.</i>	2	Already done	Yes	Monthly monitoring of suspense and holding accounts is undertaken and we are working to ensure they are cleared regularly and particularly for the year-end.	
<i>R8 Ensure trading account surpluses and deficits are in accordance with the definitions in the SORP. In particular, ensure only external income is included.</i>	3	Ian Burbidge / Department Accountants	Yes	Removal of SLA's will assist in the review of this area	
<i>R9 DACS should consider making arrangements with the Order of St John to receive invoices in advance rather than when a prepayment is made. Otherwise, ensure the OSJ creditor is netted off against the OSJ debtor, as these services have already been paid for.</i>	2	Andrew Burt	Yes	Agree (1)Will either make sure OSJ invoice at the year end or will net the Debtor Provision against the Creditor Provision	
<i>R10 Ensure 'schools' debtors include only properly raised debtors e.g. where debtors and creditors are raised to meet CFR requirements on capital expenditure, these are removed from the accounts.</i>	2	Phil Cooch / Liz Williams	Yes	Process being refined year on year and schools advised. School support try to ensure that all creditors / debtors are valid	
<i>R11 Review current arrangements on accounting for roads and buildings to ensure consistent with balance sheet guidance.</i>	2	John Price / Ian Burbidge	Deferred pending revised guidance from CIPFA	We believe that our current procedures are in line with current published guidance. We agree that the current procedure may need to be reviewed but it would not seem sensible to initiate the review of the process now, given the significant change of approach proposed in the draft SORP from 1/4/06.	

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<i>R12 Ensure all significant expenditure on a property is not added to the value but that all such properties are subject to a revaluation in the year when expenditure is material.</i>	2	John Price / David Broome	Deferred pending revised guidance from CIPFA	We believe that our current procedures are in line with current published guidance and note that they have not been questioned by audit over the last 10 years. Where material investment is made to buildings during the year we will look to value these properties specifically. A full review of the process will be undertaken once the implication of the draft SORP from 1/4/06 have been assessed.	
<i>R13 Review the process of updating the asset register to ensure all acquisitions and disposals in the year are properly accounted for.</i>	2	Ian Burbidge / Anne Buckland	Yes	Process is in place however an insignificant disposal was missed in the year	
<i>R14 Assess the value of all assets (other than non-depreciable land) annually for impairment. Ensure the assessment is supported by a formal statement by the valuer.</i>	2	Chief Officers / insurance/ John Price	Yes	This is done every year and the valuer can / has provided statements to this effect	
<i>R15 Ensure the accounting treatment of writing out deferred charges is in accordance with the SORP.</i>	3	David Anthony / David Broome	Yes	CIPFA's guidance was far from clear and totally illogical - consequently a different approach was adopted by WCC compared with the Auditor's understanding.	
<i>R16 Demonstrate that the money set aside for repayment of borrowing is prudent in the light of the difference between the MRP and the CFR requirements.</i>	2	David Broome / David Anthony	See comment	In line with our current policy we are setting aside additional sums in excess of Minimum Revenue Provision. This policy will be kept under review.	
<i>R17 Ensure investment income received, disclosed in the CRA is in accordance with the SORP definition of investment income.</i>	2	Ian Burbidge / David Anthony	Yes	Disclosure amended this year but values processed via AMRA thus not as clear as required, also some income relates to other bodies who we deal with e.g. PCT's, Swindon BC etc	