



Committee and date

Audit Committee

7 December 2009

9.15am

Item No

14

Public

ANNUAL GOVERNANCE REPORTS – ACTION PLAN UPDATE

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Summary

This report outlines the work undertaken in relation to the actions identified as requiring action by the Audit Commission in the Annual Governance Reports.

Recommendations

- A. Members are asked to note the responses provided to the action plans in the Annual Governance Report.

REPORT

Background

1. The Audit Commission issued their Annual Governance Reports on the six Statement of Accounts produced for the county and district/borough authorities in Shropshire at the Audit Committee on 25th September 2009. Included within the Annual Governance Reports were action plans for Shropshire Council to respond to and take the necessary steps to rectify any outstanding issues.

Action Plans

2. The five borough and district authorities' annual governance reports included an action plan. Some of the actions identified within these plans were common issues identified during the five district audits and the steps taken on each action is detailed below.

Action

Shropshire Council must ensure that all key controls are operating effectively within the Revenues and Benefits environment.

Previous Authority

NSDC, OBC, SABC, SSDC

Response

Significant work has been undertaken to implement many of the controls that were not in place at 1st April and the

reconciliation between the Revenues and Benefits system and the General Ledger is now well advanced. I.T. Services are currently working on an interface between Revenues and Benefits, Housing and General Ledger for the balance of controls outstanding.

Action

Shropshire Council must commence debtor arrears recovery as early as possible.

Previous Authority

NSDC, OBC, SABC, SSDC

Response

Steps are being taken to recruit an officer who will be dedicated to the recovery of ex-District and Borough Council debt. This post should be in place by the end of December 2009.

Action

The council should include a SORP compliance checklist within the closedown working papers.

Previous Authority

BDC

Response

The SORP compliance checklist is routinely prepared as one of the authority's working papers in support of the accounts. Therefore this will be completed for the 2009/10 Statement of Accounts and in future years.

Action

Shropshire Council will need to determine the future of the CAT and to ensure proper compliance with legal, accounting and governance requirements.

Previous Authority

NSDC

Response

The future of the CAT is currently being reviewed with a view to dissolving the company. All necessary action will be taken to ensure that legal, taxation, accounting and governance arrangements will be complied with.

Action

Shropshire Council should review the balance of Planning Delivery Grant held within deferred receipts to identify if there are opportunities for funding wider council activities.

Previous Authority

NSDC

Response

A review of all the reserves and balances held within the Districts' Balance Sheets is currently being undertaken to ensure the most appropriate use of resources to deliver the priorities of Shropshire Council.

Action

Shropshire Council should transfer the easement rights to intangible assets in the financial statements and consider need for amortisation.

Previous Authority

OBC

Response

A full review of the assets transferring from the districts will be undertaken in 2009/10 to ensure consistency and correct treatment for classification of assets when compiling Shropshire Council's balance sheet for 2009/10.

Action

Shropshire Council must resolve issues in the reconciliation of debtor and creditor control accounts and commence action in recovery of housing tenants arrears.

Previous Authority

OBC

Response

The Housing team within Shropshire Council are currently revising the rent collection and arrears policy for the organisation to ensure consistency between the two prior housing authorities. A new rent system is also being implemented with interfaces being set up with the housing benefit system. Action will be taken on the level of arrears during the course of the year.

Action

Shropshire Council must ensure consistency within HRA notes when preparing the 2009/10 financial statements.

Previous Authority

OBC

Response

All notes will be reviewed when compiling the Statement of Accounts for Shropshire Council in 2009/10 to ensure consistency within each other and the financial statements.

Action

Shropshire Council must ensure that the fixed asset revaluation is conducted to arrive at the current valuation in readiness for 2009/10 financial statements.

Previous Authority

SABC

Response

The Valuation team within Property Services are currently reviewing the asset portfolio transferring from the district and will be performing all necessary revaluations in time for preparation of the 2009/10 financial statements.

Action

Shropshire Council must conduct a review of fixed assets to confirm title to assets properly exists.

Previous Authority

SABC

Response

Estates Services will be undertaking a review of all assets transferring from the district authorities to ensure that title to the assets properly exists.

Action

Shropshire Council must ensure that the Usable Capital Receipts reserve is correctly recorded within its 2009/10 general ledger.

Previous Authority

SABC

Response

The Usable Capital Receipts Reserve held on the balance sheet will be reviewed to ensure that no interest received is included within this balance in the future.

Action

Obtain the outstanding Related Party Transaction declarations for 2008/09 before the audit opinion is given.

Previous Authority

SSDC

Response

The final outstanding Related Party Transaction declaration was obtained for the auditors and confirmed that no significant transactions had been held with a related party.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Audited Statement of Accounts 2008/09. Audit Committee 17 September 2009, Council 16 July 2009.

Annual Governance Reports for District and Borough Councils. Audit Committee 17 September 2009

Human Rights Act Appraisal

The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.

Environmental Appraisal

N/A

Community / Consultations Appraisal

The original budget was subject to a public consultation process. A Summary Statement of Accounts has also been produced for public use. All of this information is available in hard copy and on the Council's website and can be made available in different formats for people with disabilities.

Cabinet Member

All Cabinet Members.

Local Member

All Members.

Appendices

Decision(s)