

## ISA260 Management Action Plan Progress Tracker

KPMG recommendation	Assigned to	Agreed actions	Target Completion/Review Date	Progress to date	Delivery RAG	Status Outstanding / Completed
The Authority should ensure that purchase orders should be raised for the purchasing of goods and services through the purchase order process (where appropriate), prior to the Authority committing itself to the purchase. Reports should be run on a regular basis to identify all non compliance and take appropriate follow up action	LGSS Strategic Finance Manager(s)	Finance will continue to train, liaise with and advise the necessary staff to ensure that retrospective orders continue to be reduced in future.	30th September 2016 and monthly thereafter	Finance business partners have been and continue to engage budget managers in providing information and challenging the numbers and level Reported monthly to management board. Month 6 monitoring shows the position is improving		Completed
	LGSS Finance Business Partner Team	Roll out mandatory training for all appropriate staff involved in order processing and authorising	30th November 2016 and monthly thereafter for new starters	All appropriate staff have been briefed as part of management meetings and individual budget meetings as to the requirement of raising orders in advance. The formal training will form part of the overall governance planning		Completed
	LGSS Head of Business Systems	Explore system options to ensure accountability	30th November 2016	Automatic system report created to email on a weekly basis any staff raising retrospective orders to advise them that this is in contravention of financial regulations		Completed
	LGSS Strategic Finance Manager(s)	Dashboard report to be shared at DMT meetings.	Period 6 monitoring budget monitoring meetings during October 2016	Rolled out as part of period 6 monitoring process		Completed
	LGSS Exchequer Manager	Communicate to all suppliers that the council requires purchase orders to be sent prior to goods / services being delivered	30th November 2016	Communication drafted to suppliers, exchequer team sent out 1.12.16		Completed
	LGSS Exchequer Manager	Establish and implement a policy and related procedures to deal with emergency expenditure	31st December 2016	LGSS Exchequer Manager has produced an urgent payments protocol by 20.12.16. This was tested with a selection of appropriate NBC staff and published on the intranet in January 2017		Completed

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The Authority should ensure that it undertakes a thorough assessment of both internal audit providers annual audit plans for 2015/16 to ensure that appropriate assurance and systems coverage is provided during 2015/16	LGSS Strategic Finance Manager	Regular Joint meetings with LGSS and NBC Internal Audit providers and Strategic Finance Manager to be held in advance of each Audit Committee	30th November 2016	First meeting held 8.09.16, and areas for review agreed. Follow up meeting between LGSS Internal Audit and Chief Finance Officer. Regular joint meetings, scheduled on a quarterly basis starting 7th December 2016		Completed
	LGSS Strategic Finance Manager	Arrange bi-annual meetings between NBC finance, all internal audit providers and NBC external auditors	30th November 2016	Met with Internal Auditors and agreed best date in timetable to meet with external auditors. Meeting scheduled for 1st Feb 2017		Completed
	LGSS Strategic Finance Manager	Review of Internal Audit Workplans to ensure that risks identified by the 2015/16 External Auditors are appropriately considered / reviewed	30th November 2016	Initial joint meeting reviewed risks identified by External Auditors to discuss coverage within internal audit plans, amended IA plans still to be reviewed. Reports to next Internal Audit Committee on workplans following liaison. Review on 16.11.16 by Strategic Finance Manager and Group Accountant (closure) of Internal Audit plans presented to 14th November 2016 Audit Committee. Confirmed all key areas covered where appropriate, except for asset valuations that will covered as part of the Interim External Audit.		Completed
	LGSS Strategic Finance Manager	All Internal Audit Providers to ensure regular attendance at Audit Committee to approve and monitor Audit Plans and issues	31st October 2016 and ongoing	Internal Audit providers advised of the requirement for regular monitoring reports for Audit Committee with reports on 14th November Committee		Completed
Timely leaver forms need to be completed and cascaded to the relevant departments, including to IT. User access to applications needs to be reviewed on a periodic basis. In addition, the departing employee's access rights should be revoked as part of the standard leaving procedures. This process should be co-ordinated between HR and IT.	LGSS Audit and Risk Manager (NBC)	IT – LGSS systems access these need reviewing by LGSS internal audit with in an depth review of the IBS and ICON systems in particular	31st January 2017 31st March 2017	Workplan report by LGSS Internal Audit includes this, with the work timetabled for December / January. Work has commenced on this review and was finalised during late March / early April on the ICON and IBS systems. Draft LGSS internal audit reports were issued in early April to management responsible for both systems, which identified no issues and that improvements had been made, but also made a couple of further recommendations on improvements.		Completed

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	LGSS Audit and Risk Manager (NBC)	Both LGSS internal audit and PwC internal audit to consider systems access in general, and advise NBC CFO on what they suggest is a priority for review / testing during 2016/17.	31st October 2016	14th November Audit Committee - LGSS Internal Audit planned audit work report identifies areas to be undertaken		Completed
	LGSS Business Systems Manager	IBS Housing System - the need for timely leaver forms to be completed and distributed to relevant departments needs to be cascaded to departments	31st August 2016	This requirement has been cascaded to relevant areas by the officer undertaking system administration		Completed
	LGSS Exchequer Team Leader	ICON System - the ICON system administrator to ensure a regular review and disablement of users who have left roles requiring access to the ICON system	31st August 2016	A review of HR leavers information has been incorporated into the monthly processes of the LGSS exchequer manager responsible for ICON system administration		Completed
The Authority should put in place a systematic, robust, and objective process of assessing and documenting the due diligence procedures carried out on loan applicants. This process should be transparent and the due diligence process undertaken by qualified individuals. Any decision will need to be fully documented, including the reasoning and consideration of risks. The process should include a review by a senior officer and this should be evidenced.	NBC Chief Finance Officer	Internal review of all existing loans to assess against recommendations arising in ISA260	<del>30th November 2016</del> <del>31st January 2017</del> <del>31st March 2017</del> 30th June 2017	Information collated and an initial review has been done of the information. The initial draft was created with input from the Council bankers and following incorporation in early April of internal auditor comments where appropriate, the internal legal section have also reviewed the checklist during May. Finance staff are now progressing the assessment of existing loans against the checklist to be completed by the end of June. In addition the S151 officer has requested that regular checks are done on the organisations who have existing loans to identify potential future issues, to enable the council to take appropriate actions.		Outstanding
	NBC Chief Finance Officer	Develop and implement a loans framework / checklist	31st December 2016	First draft in completed. Has been informed by meetings with external experts (Council bankers) in November		Completed
	NBC Chief Finance Officer	Meet with external experts to review due diligence approach and checklist	30th November 2016	Meeting occurred with Barclays on 14th November. Checklist amended following meeting		Completed

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	NBC Chief Finance Officer	External validation of loans checklist	31st December 2016 31st January 2017	Pwc & LGSS Internal Audit to review first draft which was completed at end of December and available for review during January. Both internal auditors have sent their comments to management during February and they were considered to revise the checklist where appropriate		Completed
	NBC Monitoring Officer	Review governance arrangements (decision making, project management, reporting, officer, member, cabinet/council)	Now part of governance action plan	This now forms part of the governance action plan and is being reviewed by the governance programme board to determine most appropriate approach		Completed
	NBC Monitoring Officer	Review risk management arrangements	31st December 2016	PwC were commissioned and have completed their review of the strategy and framework (guidance document) and role specification of a new governance and risk manager post. A draft risk management policy and strategy has been presented to management board for consideration		Completed
The Authority should ensure that all key closedown staff receive and review the <i>Accounts Audit Protocol</i> prior to producing working papers for the audit. The overarching principle is working papers should provide a clear and concise audit trail from the financial statements through to sufficient and appropriate evidence within supporting working papers. Working papers need to: — Be clear, with explanations if needed. The working papers need to be written from the view point of someone external to the organisation; and Be supported by strong evidence, for example, third party documentation.	LGSS Strategic Finance Manager	NBC and KPMG post final accounts debrief and action planning meeting (also a joint debrief with LGSS integrated closedown team)	31st October 2016	Debrief sessions arranged between LGSS finance and KPMG for 19th and 21st October 2016		Completed

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	LGSS Group Accountant (Integrated Closedown Team)	Implement any agreed actions resulting from debrief meeting	31st December 2016	KPMG have provided the draft 2016/17 PBC (Audit Working Paper Requirements) on 2nd Dec 2016. These have been reviewed for the interim audit work and data analytics requirements, the final audit PBC requirements are to be reviewed as part of the year end timetable process.		Completed
	LGSS Strategic Finance Manager	Establish and implement key performance requirements for proposed phase 2 integrated closedown team, between expanded LGSS integrated closedown team and NBC finance team	<del>31st December 2016</del> 31st January 2017	The integrated team is now operational and the process for establishing the workload/requirements between the integrated and business partner teams has been finalised in relation to the Interim Audit PBC and is now working on the final audit timetable etc.		Completed
	LGSS Group Accountant (Integrated Closedown Team)	Review 'Prepared by Client' list requirements with KPMG and agree key quality standards prior to commencement of interim audit	<del>31st December 2016</del> 28th February 2017	Draft PBC received on 2nd December and has been reviewed by Intergrated Team for Interim Audit requirements and revisions confirmed by KPMG on 21st December. The final audit part of the PBC will be cross referenced with the closure working papers during January and February. The final PBC was agreed between KPMG and the Integrated Closedown Team on the 7th March at the start of the Interim Audit with an agreed early review of some working papers prior to the commencement of the final audit to give quality assurance		Completed
	LGSS Group Accountant (Integrated Closedown Team)	Review internal LGSS quality control and assurance process for Statement of Account, WGA working papers by the finance team etc	31st December 2016	LGSS Group Accountant (Integrated Team) has reviewed the QA process and has identified more emphasis is needed on staff responsible for reviewing working papers and supporting evidence		Completed

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The information requested, and provided by the valuer, should meet all the criteria within the Code and provide a clear and concise audit trail relating to the methodology and assumptions used in the valuation process. All evidence should be maintained and made available prior to the start of the audit. The Authority should ensure that it fully fulfils its responsibility to review, challenge and understand the information provided by the valuers as required by guidance.	NBC Corporate Asset Manager	Review and document the revaluation of council dwellings process to ensure they meet the requirements of the code.	31st March 2017 30th June 2017	Regular meetings between Estates and Finance are taking place , whereby the valuation process and challenge have been documented. The lack of documentation re the year end impairment exercise was of particular concern to the auditors. The asset section has no permanent full time valuation staff with the two agency valuation staff having left in January and February, and has therefore commissioned an external valuation company to complete this task. The valuation figures were returned to the council in mid May for inclusion in the draft accounts and the full valuation report was received at the beginning of June. Assets and finance staff are currently reviewing the final report to ensure appropriate sign-off prior to external audit of the draft accounts.		Outstanding
	NBC Corporate Asset Manager	Ensure that Asset Management Team have appropriate capacity and knowledge to undertake valuation work to achieve the closedown timescales - Asset Manager	30th November 2016	The update meetings that have been held during October 2016 have confirmed that the timeframes for the valuations will be met, this needs to be regularly reviewed as currently there is a high number of interims within estates, and some of the work is being undertaken by third parties		Completed

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	LGSS Group Accountant (Integrated Closedown Team)	Finance staff to review and challenge both revaluation work and process documentation	30th November 2016	Finance staff have undertaken during October 2016 a challenge on the revaluation work for the revaluation of council dwellings as at 1st April 2016. Asset management have agreed to document their response to this challenge. The documentation to support the year end impairment review exercise for 31st March 2017 reflecting the annual change in property prices will now be provided by asset management in line with the format developed for the 2015/16 final audit by finance.		Completed
The Authority needs to ensure that quality checks are undertaken on all key controls. This should be embedded within the reconciliation process. The Authority should ensure all the issues above are dealt with and that full reconciliations are carried out across all appropriate systems and balances. All unreconciled balances should be identified and cleared, or written-off in a timely manner.	LGSS Payroll Manager	Review and monitor the payroll reconciliations process to ensure reconciliation items are identified and cleared within a timely period	30th September 2016, 31st October 2016 and ongoing	The ongoing reconciliations are now being undertaken monthly by the payroll team who have more complete knowledge to resolve unreconciled items, and make appropriate system corrections. LGSS Finance Partners have reviewed reconciliations done by LGSS payroll team up to December 2016, and working with the new payroll staff since the transfer of the service back to NBC have agreed those historical balances that need to be written off and these will be included in the draft accounts. The payroll team continue to review some balances to establish the appropriate treatment and are ensuring monthly payroll reconciliations since January 2017 result in identification of new entries early to enable them to be corrected.		Outstanding
as above	LGSS Audit and Risk Manager (NBC)	A comprehensive risk assessed payroll systems audit needs to be undertaken by Internal Audit	31st January 2017	The LGSS Internal Audit plan now includes proposals for a payroll audit, including a review of actions on data quality		Completed

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as above	PwC - NBC's Internal Auditors	A payroll review to be undertaken by NBC's Internal Auditors post the implementation of the new payroll service provider planned during 2016/17	31st March 2017	LGSS Finance have raised this action with PwC internal audit manager. PwC undertook payroll review fieldwork during March and have issued a draft report to the authority in April		Completed
as above	LGSS Revenues Manager	Ensure that discrepancies between the properties included on the NDR and Valuation Officer reports are identified and corrected in a timely manner	30th September and on going	this is now being done on a regular basis by the LGSS Revenues manager.		Completed
as above	LGSS Audit and Risk Manager (NBC)	Internal Audit need to review and consider what Revenues system work is included within their Audit Plan for 2016/17 and present to the NBC S151 officer for sign-off	31st October 2016	LGSS Internal Audit have confirmed as part of their proposed audit work for 2016/17 to undertake high level control testing for the three revenues systems. Part of the audit report to the November Audit Committee		Completed
as above	LGSS Accountant (Housing)	Review and improve existing reconciliation process.	31st October 2016	LGSS Finance have reviewed the process, and have incorporated an improvement to the year end working papers to ensure correct year end balances included. This has been done using an additional control check box on the reconciliation spreadsheet		Completed
The Authority should ensure it strengthens its year end cut-off procedures and that controls are sufficiently-robust to ensure correct procedure is followed. The Authority may wish to consider the impact on raising its de minimis level to reduce the manual input required in this process. A review of cut-off is particularly important given the move to a shorter timetable for the accounts process from 2017/18, and the reduced time to produce the financial statements.	LGSS Group Accountant (Integrated Closedown Team)	Undertake a review of de-minimus level and if required amend closedown procedures/guidelines accordingly, communicate to NBC budget managers and liaise with external auditors	30th November 2016 (review), 31st December 2016 (refresh procedures & liaise with external auditors) and 31st January 2017 (communicate to NBC budget managers with closedown guidance) timetable)	The S151 officer agreed an increase in the accruals de-minimus limit from £1,000 to £5,000. This was reported to Audit Committee in March 2017 alongside other proposed changes to the accounts and policies to comply with the 2016/17 accounting code of practice.		Completed



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The Authority should review all information provided to the pensions authority on a monthly basis. This should be evidenced via sign-off by a senior individual.	LGSS Strategic Finance Manager	Ensure more a complete reconciliation is done which is then signed off by an appropriate senior manager	30th November 2016	Confirmation from payroll manager and pensions teams that monthly reconciliations being done between payroll reports and transfers to the pension authority, and signed off by the payroll service manager. Where differences are identified these are corrected in the following month		Completed
The Authority should investigate instances of data quality issues. In addition, the Authority should investigate all incidences of salary payments to staff after the end dates.	LGSS Payroll Manager	Review findings.	31st August 2016	Management have reviewed the findings and whilst there are no significant issues, processes have already been updated during 2015/16 to address issues around national insurance numbers		Completed
as above	LGSS Payroll Manager	Implement quarterly review of payroll data quality to ensure system information is maintained to an appropriate level of quality.	31st October and on going	Review undertaken and confirmed in December 2016 by Payroll Manager on NI numbers using the government gateway with reports also being reviewed on address info. The task will be passed to the new NBC payroll team from January 2017 as part of the handover		Completed

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The Authority should continue to use its own historical data to inform and refine its estimate of its share of liability arising from successful appeals. Notwithstanding whether the Authority decides it should change its provision based on this information, sufficient and appropriate audit evidence should be maintained and provided to evidence the decision process undertaken, as well as management review and sign-off of the final position. The Authority should provide appropriate and sufficient narrative explanations with regards to why the Authority believes that the approach taken is the most appropriate or prudent, especially when there are valuation differences between methodologies.	LGSS Strategic Finance Manager	Ensure that a clear audit trail is maintained to evidence the methodology and approach undertaken to arrive at the appeals provision, and justify this in line with the code (this will form part of the working papers to produce the year end accounts)	30th April 2017	Finance and Revenues staff have been reviewing the appeals data during November/December 2016 to improve estimation methodology. 1st review was undertaken by the CFO during January 2017. Year end working papers updated to show comprehensive process for calculation and internal review before NDR3 return signed off during April. Working paper shared with KPMG during May.		Completed
	LGSS Strategic Finance Manager	Engage external support to provide validation of the authority's methodology and approach in estimating its appeals provision	<del>31st December 2016</del> 30th April 2017	Initial external advice has been sought to help inform the methodology of calculation, and following review by the CFO in January further specific external advice may be required. The year end calculations were shared with external advisors in April, and their comments considered when finalising the NDR appeals work.		Completed
	LGSS Strategic Finance Manager	Compare and contrast the approach to appeal provisions with other councils to inform best practice	31st December and ongoing	Discussions have taken place at the Northamptonshire Chief Finance Officer and Chief Accountant meetings. Councils in the County have shared their approaches which will be used to inform how NBC continues to develop its methodology in calculating the year end provision		Completed

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<i>On track for delivery, substantial progress already made</i>						
<i>On track for delivery, some progress made</i>						
<i>Concerns on delivery</i>						