

Lesson Learned from 16/17

What	Area	Done for 17/18
The overall standard of working papers needs to improve. Many are produced to the required standard and all must meet this in the future. Guidance has been issued regarding content and clarity. Evidence of bad practice has also been issued. KPMG: <i>"There have been numerous emails...and we reported in our ISA260 both this year and last that (some) working papers...do not show the audit trail and are not of the standard we would expect."</i>	Integrated closedown team	Yes - guidance on characteristics and content produced and circulated. QA process has been reinstated from 15/16, all working papers subject to 2 reviews - 1 by a suitable reviewer for accuracy/content and 1 for QA purposes, internal consistency, completeness.
The storage of the working papers, within a shared directory, became chaotic because the link between the working paper references and the Statement was broken. The purpose of the working papers was not always immediately obvious, making information hard to find.	Integrated closedown team	Yes - Reverted to 2015/16 referencing convention, which mirrors SoA and maintain carefully. All working papers have a preparer, reviewer and QA officer named on the front sheet.
Responsiveness - the audit team do not just require clear, referenced information. They need quick and complete answers to any follow-up questions. During the audit period this has to be the highest priority.	All	This needs communication, guidance and constant reinforcement. The head of the integrated finance team has emailed out to all LGSS Heads of Service to reinforce this message. CFO to do the same at NBC
Absolute clarity about their requirements must be obtained from KPMG as queries are raised - what is the concern? What is needed in order to clear that concern? Significant delay has been experienced because the wrong data has been provided. This was especially true in the overall datasets provided and for payroll reports.	All	All queries will be channelled through one contact, and passed through QA process before being passed onto KPMG.
The progress through the audit has been slowed by the availability of data held in assets team. This has taken some time to compile and, for the future should include verified valuation reports and associated evidence, condition surveys, the Asset Management Plan and any directly related documentation. All of this should be immediately to hand. KPMG: <i>"Neither the valuation documents you attached nor the copy of title from the land registry agree to the fixed asset register"</i>	Assets	Some good progress has been made, with clear valuation instructions issued and valuation reports received and stored. To be built upon for 18/19 process
In order to aid clarity, a full review of documentation and process notes for assets and valuations needs to be undertaken, including PwC internal audit review	Assets/ governance	New processes have been applied, reflecting good practice, and these need to be clearly documented
When the valuation of housing stock is being arranged, more regard needs to be paid to ensure that tenants are aware of the timing and purpose of the valuation process. This will avoid delays and uncertainty. We should be sending out letters to tenants to advise of the valuers visit, giving at least one weeks notice.	Assets	For 18/19
A full review of accounting policies needs to be undertaken, so as to ensure that they are clear and fit for purpose - meeting the specific needs of the Council.	Integrated closedown team	For 18/19
All year end steps, including those identified as being absent from the 2016/17 process, need to be on either the schedule of working paper requirements or the closedown timetable.	Integrated closedown team	Orphan codes and TB mapping completed - if any others are identified, will be identified as part of accounts closure steps which has been added to the working paper requirement listing.
The bank and cash reconciliation process did not identify all accounting / timing issues occurring. These processes need to be reviewed and corrected.	Integrated closedown team	For 18/19 - but throughout the financial year.
There is still a peak of activity at the year-end, with the number of transactions rising significantly. Better planning would reduce this peak and remove some pressure from the transactional teams at year-end, allowing them to focus on their year-end tasks.	Integrated closedown team	Earlier notice to Services and Budget Holders to reduce non-urgent financial transactions near Year End - to be issued for 2018/19 close, early in Q4
Further to point 15, many 'year-end' accounting activities can be completed earlier in the financial year. This opportunity should be maximised.	Integrated closedown team	Lists of potential tasks have been created for review by closedown colleagues. This will be a key change for 2018/19.