

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	Various	Various 6 actions	Latest December 2016	All completed		Completed
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	Various 4 actions	Latest 30th November 2016	All completed		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.	Various	Various 4 actions	31st January 2017 Latest 31st March 2017	All completed		Completed

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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	30th November 2016 31st January 2017 31st March 2017 30th June 2017	Information collated and an initial review has been done of the information. Following incorporation in early April of internal auditor comments where appropriate, the internal legal section have also reviewed the checklist during May. Finance staff have now assessed the existing loans against the checklist and identified a number of learning points for future assessments of new loan requests. This work has been shared with KPMG who have made some initial comments which officers are following up, and further comments are expected as part of the final audit work. 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.		Completed
as above	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
as above	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
as above	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
as above	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

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as above	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.	Various	Various 5 actions	Latest 28th February 2017	All completed		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 have reviewed the final report to ensure appropriate sign-off prior to external audit of the draft accounts.		Outstanding
as above	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
as above	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

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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	LGSS Finance Partners have reviewed reconciliations done by LGSS payroll team up to December 2016, and have been 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 historical 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. The HR business partner now reviews on a monthly basis the reconciliations undertaken by the payroll team, and then passes the reconciliations to the LGSS Finance Business Partner Team for further sign-off. This will allow issues to be escalated in a timely manner by senior staff.		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
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

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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
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	Various 2 actions	Latest 31st October and ongoing	All completed		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	Various 3 actions	Latest 30th April 2017	All completed		Completed
We recommend the Authority looks to appoint permanent members of staff as a matter of urgency	LGSS Head of Integrated Finance	The Group Accountant Closedown lead for Northampton Borough and Milton Keynes will be advertised and recruited to	30th September 2017	The Head of Integrated Finance has started the recruitment process for the permanent group accountant role in late August, and will be continuing with it after the summer holiday period		Outstanding
as above	Director of Regeneration, Enterprise and Planning	The delivery of assets services including valuation work feeding into the year end financial statement of accounts will be reviewed as part of the Directorate wide structure review. All options including using contracted external companies will be considered		Mar-18 The restructure process is on hold following the resignation of the Director leading on the process. The Interim Director along with Directorate Heads of Service will be progressing this, in particular to ensure year end valuation work can be delivered for the 2017/18 accounts		Outstanding

On track for delivery, substantial progress already made

On track for delivery, some progress made

Concerns on delivery



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