

Audit of the Annual Financial Statements

Buckinghamshire and Milton Keynes Fire Authority

Audit 2004-2005

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

Audit in the public sector is underpinned by three fundamental principles:

- auditors are appointed independently from the bodies being audited;
- the scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business; and
- auditors may report aspects of their work widely to the public and other key stakeholders.

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998 and the Local Government Act 1999 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

Status of our reports to the Authority

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any member or officer in their individual capacity; or
- any third party.

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Contents

Introduction	4
Scope and audit approach	5
Main conclusions	5
SAS 610 report	6
Appendix 1 – Action plan	8

Introduction

- 1 The Authority is required to publish a statement of accounts (SoA) annually. The Authority's Treasurer is responsible for the preparation of the accounts for audit. These must be prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (SORP), which defines proper accounting practices.
- 2 The published accounts are an essential means by which the Authority reports its stewardship of the public funds at its disposal and its financial performance in the use of those resources.
- 3 Our Audit Plan for 2004/05, explained the work we would be carrying out to meet our Code of Audit Practice responsibilities. The Audit Commission Act 1998 and the Code of Audit Practice require the appointed auditor to form an independent view of the statutory accounts and to give an audit opinion as to whether the financial statements:
 - present fairly the financial position of the authority and its income and expenditure for the year; and
 - have been properly prepared in accordance with appropriate legislation and applicable accounting standards.
- 4 The audit opinion on the financial statements is given in respect of the statutory accounts and covers the following:
 - Foreword;
 - Revenue Account;
 - Balance Sheet;
 - Cash Flow Statement;
 - Statement of Total Movement in Reserves;
 - Accounting Policies; and
 - Notes to the revenue account, the balance sheet and the cash flow statement.
- 5 We are also required to review the statement on internal control and whether it reflects compliance with CIPFA's guidance 'The Statement on Internal Control in Local Government: Meeting the Requirements of the Accounts and Audit Regulations 2003' published on 2 April 2004. We are only required to comment if it does not comply with proper practices specified by CIPFA or if the statement is misleading or inconsistent with other information we are aware of from our audit of the financial statements. We do not consider whether the statement on internal control covers all risks and controls and we do not form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures.

Scope and audit approach

- 6 As the appointed auditors, we have a responsibility to audit the statutory accounts to assess whether they meet the two criteria outlined above.
- 7 In carrying out our work, we are mindful of our other responsibilities under the Code of Audit Practice, particularly the need to give an independent assessment of the general financial standing of the Authority. We also consider the characteristics of the Authority which impact on the auditor's ability to issue an opinion without qualification, or assess what additional substantive testing might be needed on the financial statements themselves. These include:
 - a strong and reliable control environment;
 - a good quality Internal Audit, on whose work we can place reliance;
 - effective financial systems and related information systems; and
 - efficient and effective procedures for producing the financial statements and supporting evidence.
- 8 Our audit opinion is therefore based on assurance gained from our reviews of these areas (reported previously) as well as specific testing of the year-end figures.
- 9 The purpose of this report is to record the matters arising from the audit of the Authority's accounts for the year ended 31 March 2005 and to make recommendations to address any issues that require action on the part of the Authority.
- 10 We would like to thank the Head of Finance and her staff for their co-operation and assistance provided during our audit.

Main conclusions

- 11 The statutory accounts were initially presented for audit on 10 October 2005. We issued an unqualified audit opinion on the statements on 16 March 2006, almost six months after the deadline for publication set by the Accounts and Audit Regulations 2003.
- 12 Our audit of the accounts was due to commence in October 2005 but an initial review of the Statement of Accounts and the trial balance identified significant balances on control accounts which had not been reconciled and reflected accurately in the financial statements. We withdrew to allow the Authority time to complete the control account reconciliations and produce a revised set of accounts. Our audit recommenced in January 2006 although work on the control accounts was still ongoing. This has needed significant amounts of additional officer and auditor time to resolve the issues to enable an unqualified audit opinion to be given on the Statement of Accounts.

- 13 Our audit of the financial statements has identified a large number of issues. Many of these were errors which have now been amended in the accounts. The main areas of concern were control account reconciliations, fixed asset disclosures and the Fixed Asset Restatement Account, non compliance with the 2003 Capital Finance Regulations and Best Value Accounting Code of Practice (BVACOP) compliance.
- 14 Our detailed findings are summarised in the Appendix to this report.

SAS 610 report

- 15 Statement of Auditing Standard (SAS) 610 requires auditors to communicate to those charged with governance (as distinct from management) the following matters before giving an opinion on the financial statements:
 - modifications to the auditors' report;
 - unadjusted misstatements;
 - material weaknesses in the accounting and internal control systems identified during the audit;
 - their views about the qualitative aspects of the Authority's accounting practices and financial reporting;
 - matters specifically required by other accounting standards to be communicated to those charged with governance; and
 - any other relevant matters relating to the audit.
- 16 We submitted our report to the Fire Authority under SAS 610 on 22 February 2006. Our audit identified the following matters which SAS 610 requires to be brought to the attention of members.

Unadjusted misstatements

- 17 Our audit identified the following non-trifling misstatements in the financial statements that management has decided not to adjust.
 - There are various items included in Other Operating Income and Expenditure totalling £303,000 that do not appear to comply with BVACOP requirements and should have been allocated to service costs.
 - Following significant efforts by officers the unreconciled difference on the FARA has been reduced to £140,000. This figure is therefore considered to be a potential mis-statement in the accounts.
- 18 There were also a number of material or non-trifling misstatements in the financial statements that management agreed to adjust and were detailed in the Authority report accompanying the revised financial statements. These amendments were all made in the final version of the accounts and have now been checked by us.

Material weaknesses in systems of accounting and financial control

- 19 Our audit identified the following weaknesses in systems of accounting and financial control which we should report to you.
- Significant balances on control accounts included in debtors, creditors and cash had not been reconciled either during the year or as part of closedown procedures. The balances that remain to be reconciled appear to be 'trifling' based on the information available to us and the work the Authority's officers have undertaken. It is important that reconciliations are carried out on a regular basis to ensure that any errors or system weaknesses are identified in a timely manner and appropriate action is taken to address any issues highlighted.

Qualitative aspects of accounting practices or financial reporting

- 20 Our audit includes consideration of the qualitative aspects of the financial reporting process, including items that have a significant impact on the relevance, reliability, comparability, understandability and materiality of the information provided by the financial statements.
- Control account reconciliations: Significant balances on control accounts had not been reconciled and reflected accurately in the Authority's financial statements. There has been an adjustment to the bank overdraft shown in the balance sheet of £1.6 million and a number of other balances changed significantly.
 - Non compliance with the requirements of the 2003 Capital Finance Regulations: The Capital Financing Requirement and Adjustment A had not been calculated and the Minimum Revenue Provision calculation was therefore incorrect.
 - We have highlighted a number of areas in the draft financial statements where there is non-compliance with the Statement of Recommended Practice. The SORP represents proper accounting practice as required by the Accounts and Audit Regulations 2003. The matters highlighted are as follows:
 - accounting policies were incomplete;
 - capital commitments: None were disclosed originally; and
 - BACOP compliance - see paragraph 9 above.
 - Our review of the Statement of Internal Control (SIC) has highlighted weaknesses in the Authority's approach to its preparation. The results of the CPA and Internal Audit's assessment of internal controls and the Authority's proposals for addressing the issues raised were not adequately disclosed. The SIC has subsequently been revised to reflect these issues.

Appendix 1 – Action plan

File ref	Finding	Recommendation	Priority	Response	Target date	Responsible officer
Statement of accounts						
EX.18 B.7.PS, B.7.PS	There are a number of clerical errors in the draft statement of accounts (SoA) that need to be corrected.	Amend the draft statement of accounts.	High	All amended in version 3 of the accounts.	2004/05	J. Watkinson Area Manager Finance
EX.20 B.7.PS	There was no ledger report (trial balance) provided at the commencement of the audit.	All relevant reports must be available at the commencement of the audit.	High	Trial Balance provided for version 2 of the statement of accounts.	2004/05	J. Watkinson Area Manager Finance
EX.21 B.7.PS	There was no explanation of the budget/outturn variances in the draft SoA presented for audit. This does not comply with the requirements of the SORP.	Insert an appropriate note in the draft statement of accounts.	High	Provided in version 2 of the Statement of Accounts.	2004/05	J. Watkinson Area Manager Finance
EX.64 B.7.PS	There are a number of areas of non compliance with the SORP.	Ensure that the accounts comply with the requirements of the SORP.	Low		2005/06	J. Watkinson Area Manager Finance

File ref	Finding	Recommendation	Priority	Response	Target date	Responsible officer
Accounting policies						
EX.19 B.7.PS	The accounting policies disclosed do not cover all entries in the accounts/types of transactions identified in the SORP.	Consider the requirements of the SORP and FRS 18 and ensure that accounting policies have been fully determined and disclosed.	High			J. Watkinson Area Manager Finance
EX.27 B.13.3, B.13.PS	The Authority does not have an accounting policy which covers intangible assets.	The Authority insert an appropriate policy.	High		2004/05	J. Watkinson Area Manager Finance
Statement of Internal Control						
EX.29 B.18.PS	The SIC does not properly reflect the control issues expressed in its corporate assessment and Internal Audit Annual Reports.	Reference should be made to these reports in the narrative of the SIC.	High	The SIC has now been strengthened to include issues expressed by the IA Annual Report and the corporate assessment.	2004/05	C Hedger.

10 Audit of the Annual Financial Statements | Appendix 1 – Action plan

File ref	Finding	Recommendation	Priority	Response	Target date	Responsible officer
Fixed assets						
EX.22 B.9.PS, B.9.1	The additions disclosed in note 1(a) to the Balance Sheet do not agree to the capital expenditure in note 1(b). All transactions should be grossed up. Where expenditure does not add value to assets this should be shown as a revaluation reduction.	Amend note 1(a) to agree to other capital expenditure disclosed in the draft statement of accounts.	High	Version 2 has been corrected. Notes 1(a) and 1(b) now agree.	2004/05	S. Watson Group Manager Finance
EX.23 B.9.PS, B.9.1	The value of land and buildings in note 1(a) does not agree to the valuer's report. Initially there was no reconciliation provided.	All entries in the draft statement of accounts require suitable supporting working papers to provide an audit trail back to source documents.	High	Reconciliation now provided.	2004/05	S. Watson Group Manager Finance
EX.24 B.9.PS	There was no documentation to support the financing of capital expenditure by grant in Note 1(c) to the Balance Sheet.	All entries in the draft statement of accounts must be supported by relevant working papers.	High	In version 2 'grant aided' expenditure has been excluded from note 1(b).	2004/05	S. Watson Group Manager Finance

File ref	Finding	Recommendation	Priority	Response	Target date	Responsible officer
EX.25 B.9.PS	The number of vehicles shown in note 1(e) to the Balance Sheet was not supported by the working papers supplied. The note states 52 but the working papers indicate that this should be 57. This does not include any assets purchased during the year.	The number of vehicles be reviewed and amend the note as required.	High	Numbers amended in version 2 received 10 January 2006.	2004/05	S. Watson Group Manager Finance
EX.32 B.8.1, B.9.PS	Note 1(a) to the Balance Sheet is incorrect because: <ul style="list-style-type: none"> the total column is overstated by £279,000; and the revaluations value is understated by £234,000. It excludes the value of additions and reclassifications with no added value (a reduction) and an error on the valuation of Beaconsfield Fire Station. 	Amend the relevant notes in the draft statement of accounts.	High	Note 1(a) has been correctly stated in version 4 of the SoA.	2004/05	S. Watson Group Manager Finance

12 Audit of the Annual Financial Statements | Appendix 1 – Action plan

File ref	Finding	Recommendation	Priority	Response	Target date	Responsible officer
Fixed asset restatement account						
EX.26 B.9.1, B.9.PS	The movements on the FARA in note 10 to the Balance Sheet have been reduced to one line. An analysis of movements should be shown.	Expand the analysis of the movement on the FARA.	High	Amended in version 5 of the accounts.	2004 05	J. Watkinson Area Manager Finance
Capital financing						
EX.28 B.9.PS, B.13.3, B.13.PS	The Authority had not complied with the requirement of the 2003 Capital Finance Regulations to calculate the Capital Financing Requirement (CFR) and Adjustment A.	Calculate the CFR and Adjustment A as required by the 2003 Capital Finance Regulations.	High	Calculation provided 14 February 2006.	2004/05	S. Watson Group Manager Finance
EX.36 B.14.PS	The value for 'Depreciation net of MRP' shown in note 11 to the Balance Sheet in the draft statement of accounts as £751,000 could not be agreed from the data provided for the audit.	Correct the SoA or provide evidence to support £751,000.	High	Depreciation per note 1a is £955,000 depreciation for the year less £10,000 depreciation on disposals. The figure in the CFA is £955 - £203 MRP.	2004/05	J. Watkinson Area Manager Finance

File ref	Finding	Recommendation	Priority	Response	Target date	Responsible officer
EX.51 B.14.PS, EX.62	The MRP calculation is incorrect. For 2004/05 it should be based on the CFR not the adjusted credit ceiling.	Recalculate MRP based on adjusted CFR as set out in the 2003 Capital Finance Regulations.	High	Agreed and revised calculation produced.	2004/05	J. Watkinson Area Manager Finance
EX.61 B.13.PS	The first calculations that the Authority produced for CFR included the finance lease and capital accruals but guidance is clear that neither of these should be included.	Amend calculation to exclude both the finance lease and capital accruals.	High	Agreed and revised calculation produced.	2004/05	J. Watkinson Area Manager Finance
EX.63 B.13.PS	The figures used in the CFR calculation to calculate the 2003/04 adjusted credit ceiling were incorrect.	Amend calculation to include correct figures and recalculate MRP.	High	Agreed.	2004/05	J. Watkinson Area Manager Finance
Asset management revenue account						
EX.30 B.9.PS	Note 4 Asset Management Revenue Account (AMRA) does not agree to the Revenue Account.	Ensure that all notes agree to the balance they refer to. Amend the statement of accounts to correct the error.	High	Version 2 corrected. Revenue Account and note now agree.	2004/05	J. Watkinson Area Manager Finance

14 Audit of the Annual Financial Statements | Appendix 1 – Action plan

File ref	Finding	Recommendation	Priority	Response	Target date	Responsible officer
Capital commitments						
EX.31 B.9.PS, B.16.PS	Note 1(e) to the Balance Sheet states there are no capital commitments, but as the capital programme has slipped by £994,000, some of this must have been contractually committed.	Amend note 1(e) to the Balance Sheet to include that capital expenditure that is contractually committed.	High	Note amended and appropriate disclosure made in version 3 of the SoA.	2004/05	S. Watson Group Manager Finance. L. Wylie Area Manager PACs
Debtors						
EX.35 B.11.PS	The value of debtors in the Balance Sheet is overstated by £33,000 due to the incorrect treatment of a credit note posting. The revenue account requires adjusting by the same amount. The value also includes a sum of £41,934.48 on A/C 99901 which has not been reconciled.	Amend the statement of accounts by £33,000 and reconcile the £42,000 and adjust accounts as necessary.	High	A/C 99901 reconciled as part of the clearance of control accounts (wp B.8.3). The sum of £33,385.17 is included in the £193,000 adjusted error that is included on errors and uncertainties.	2004/05	J. Watkinson Area Manager Finance

File ref	Finding	Recommendation	Priority	Response	Target date	Responsible officer
EX.57 B.11.PS, B.12.PS	The debtors value is overstated by £129,000 due to the incorrect treatment of cash received in respect of Lex Leasing. The cash received had been credited to creditors.	Correct the entry.	High	Adjusted as part of clearance of control accounts.	2004/05	J. Watkinson Area Manager Finance
Bank reconciliation						
EX.38 B.7.PS	Out of date cheques for payroll for £517.18 and for creditors for £1,651.48 need to be written back. These cheques were issued on the old accounting system Lafis.	Fire authority needs to obtain list of cheques which were out of date before migration and write them back.	Medium	Noted. Will be investigated and written back if required. Transferred to creditors as part of the clearance of control accounts.		J. Watkinson Area Manager Finance
EX.39 B.8.1, B.7.PS	Payroll out of date cheques for (£517.18) have been included in cash and bank balance on the balance sheet. This should form part of creditors balance. Therefore cash and bank has been understated.	Amend the accounts.	High	Adjusted as part of the clearance of control accounts. £517.18 is included in the sum of £65,475.80 as an adjusted error.	2004/05	J. Watkinson Area Manager Finance

16 Audit of the Annual Financial Statements | Appendix 1 – Action plan

File ref	Finding	Recommendation	Priority	Response	Target date	Responsible officer
EX.42 B.8.1, B.7.PS	Control Account UU930 (unmatched bank transactions) for £1,004.82 has been included in cash & bank balance on the balance sheet. This should form part of creditors balance. Therefore cash and bank has been overstated.	Amend the accounts.	Low	Cleared as part of the clearance of control accounts. Included in £65,475.80 on errors and uncertainties as an unadjusted uncertainty.	2004/05	J. Watkinson Area Manager Finance
EX.43 EX.53, B.7.PS	Control account UU910 has not been reconciled by the authority (net balance £1,074.16). We are therefore unable to confirm if this balance should be included in cash and bank in the balance sheet.	All control/suspense account should be reconciled on a timely basis and evidence should be made available for audit.	High	Partly cleared as part of the reconciliation of control accounts. The unreconciled balance on this account is £48,969.47 plus £15,571.72 transferred from 99901, a total of £64,541.19 which has been transferred to revenue. Included in schedule of errors and uncertainties.	2004/05	J. Watkinson Area Manager Finance

File ref	Finding	Recommendation	Priority	Response	Target date	Responsible officer
Creditors						
EX.46 EX.52, B.12.PS	<p>Control Account Reconciliations (UU911 & UU920)</p> <p>The authority has not reconciled two creditors control accounts UU911 credit balance of £1,127,662.61 and UU920 with a debit balance of £1,004,491.89. Therefore unable to gain reasonable assurance that the above value is correctly treated as creditors.</p>	All control/suspense accounts should be reconciled on a timely basis.	High	Accounts reconciled as part of clearance of control accounts. BCC are trying to work out what entries are required to clear the balance of £15,730.60 relating to LB DOCS (migration) and the unreconciled balance of £70608.77 has been transferred to revenue and added to our summary of errors and uncertainties.	2004/05	J. Watkinson Area Manager Finance
EX.48 B.12.PS, B.8.1	Receipt in advance of £41,761 has been included within sundry creditors. This should be shown on a separate line in Note 5.	Amend Note 5 to reflect correct classification.	Medium	Entered on errors and uncertainties as an adjusted error. Amended in version 3 of the accounts.	2004/05	J. Watkinson Area Manager Finance

18 Audit of the Annual Financial Statements | Appendix 1 – Action plan

File ref	Finding	Recommendation	Priority	Response	Target date	Responsible officer
EX.47 B.12.PS, B.8.1	Some of the sundry creditors need to be reclassified to Government Creditors. Creditors to be reclassified are as follows: Account No. 32940 (£19.53), UU601 for (£34,785.76) and UU602 for (£54.40). Government Creditors are understated by £34,859.69 and therefore to be amended from £405,115.42 to £439,975.11.	Amend Note 5.	Medium	UU601 and UU602 were cleared as part of the clearance of control accounts so this adjustment is no longer required.	2004/05	J. Watkinson Area Manager Finance
EX.49 B.12.PS, B.8.1	Local Authority Creditors of £10,187.46 have been included in Sundry Creditors.	Amend Note 5 to reflect correct classification.	Medium	Entered on errors and uncertainties as an adjusted error. Amended in version 3 of the accounts.	2004/05	J. Watkinson Area Manager Finance

File ref	Finding	Recommendation	Priority	Response	Target date	Responsible officer
EX.50 B.12.PS, B.8.1, B.12.1	An invoice from NTL for £18,508.92 was to move existing microwave link terminal equipment from HQ to the council offices and should be included in capital creditors. Therefore Sundry Creditors have been overstated by £18,508.92.	Amend Note 5.	Medium	Entered on errors and uncertainties as an unadjusted error.	2004/05	J. Watkinson Area Manager Finance
Post-balance sheet events						
EX.65 B.7.PS	The completion of the new headquarters and Aylesbury fire station transfer is disclosed within accounting policies in the draft accounts re treatment as a deferred purchase agreement. There is no indication of scale in the note and no disclosure as a post-balance sheet event.	Post Balance Sheet Event needs to disclose the significance of the transaction and summarise impact on financial statements for 2005/06.	High	Included in the final version of the accounts.	2004/05	J. Watkinson Area Manager Finance

20 Audit of the Annual Financial Statements | Appendix 1 – Action plan

File ref	Finding	Recommendation	Priority	Response	Target date	Responsible officer
Summary revenue account (SRA)						
EX.37 B.20.PS, B.20.1	Note 10 states that the finance lease is detailed in Note 8 to the balance sheet. This reference is incorrect it should be Note 9 to the balance sheet.	Amend the accounts.	Low	Amended in version 4 of the accounts.	2004/05	J. Watkinson Area Manager Finance
EX.41 B.20.PS, B.20.3	Officers' Remuneration band £90,000 to £99,999 is incorrectly stated in Note 6. The note states 1 officer in this band who has retired but it should be nil.	Amend Note 6.	Medium	Amended in version 3 of the accounts.	2004/05	J. Watkinson Area Manager Finance
EX.44 B.20.PS, B.20.5, B.20.6	Doctors on Call income has been incorrectly stated in note 1d (trading accounts) as £36,000. This should be income of £3,600.	Amend Note 1d.	High	Amended in version 3 of the accounts.	2004/05	J. Watkinson Area Manager Finance

File ref	Finding	Recommendation	Priority	Response	Target date	Responsible officer
EX.45 B.20.PS	Payroll analytical review provided by the authority was not detailed enough and we had to obtain additional information for variance explanations.	For 2005/06 please provide detailed analytical review for payroll with adequate variance explanation as part of audit working papers.	High		2005/06	J. Watkinson Area Manager Finance
EX.54 B.20.PS	The authority was not able to provide a notification of the RSG grant from ODPM. Only evidence provided was a payment schedule of the grant from ODPM. The value of grant stated in the SRA is £4,010.6 and the payment schedule states a value of £3,992,451 therefore a difference of £18,100.	Reconcile grant due with entry in the SoA.	Medium	Noted.		J. Watkinson Area Manager Finance
EX.55 B.20.PS, B.8.1	Catering costs under the heading of Other Operating Income and Expenditure should be included under Corporate and Democratic Core.	Amend SoA.	High			J. Watkinson Area Manager Finance

22 Audit of the Annual Financial Statements | Appendix 1 – Action plan

File ref	Finding	Recommendation	Priority	Response	Target date	Responsible officer
EX.56 B.20.PS, B.8.1	Recovery Depot/Workshops cost of £209,800 is made up of kitting out the fleet which should be included under the heading of Fire Fighting and Rescue Operations.	Amend SoA.	High			J. Watkinson Area Manager Finance
EX.58 B.15.PS, B.8.1	Control account 99901 is a migration account and no other entries should be made to this account. The account has charges for Texaco for £15,073.76 posted to it. These items of expenditure were paid by 31 March 2005 and should be charged to revenue.	Amend SoA.	High	Texaco charges should be coded to revenue. Adjusted as part of the clearance of control accounts - see wp B.8.3.		J. Watkinson Area Manager Finance

File ref	Finding	Recommendation	Priority	Response	Target date	Responsible officer
EX.59 B.15.PS, B.8.1	The balance remaining on control account 99901 of £15,571.72 is being investigated by Bucks CC.	Find out how the balance of £15,571.72 is made up and amend the account accordingly.	High	As part of the clearance of control accounts this difference has been transferred to UU910 'Cash Balance' and ultimately written off to revenue. Investigation of this and other reconciling items will continue.	2004/05 2005/06	J. Watkinson Area Manager Finance
Related party transactions						
EX.33 B.7.PS	When checking to confirm that a response had been received from all parties in respect of related party transactions, it was found that no response had been received from A Dransfield, I Fraser and D Green. D Green did not submit a return in 2002/03 and 2003/04. I Fraser and A Dransfield did not submit a return in 2003/04.	The Authority should ensure that a response is obtained from all parties.	High			J. Watkinson Area Manager Finance

24 Audit of the Annual Financial Statements | Appendix 1 – Action plan

File ref	Finding	Recommendation	Priority	Response	Target date	Responsible officer
EX.60	The authority has not carried out any other checks apart from the forms that were sent out, for example, register of interests, minutes.	The Authority should refer to other sources of information.	High			J. Watkinson Area Manager Finance
Pension schemes						
EX.34 B.14.PS, B.14.2	The return on assets in note 15 has been shown as 'Other Finance Income'. This is incorrect. There is a separate line for this entry.	Correct the note.	High	Amended in version 5 of the accounts.	2004/05	J. Watkinson Area Manager Finance
Cash flow statement						
EX.66 B.17.PS	The notes to the cash flow statement were not in accordance with the requirements of the SORP.	Revise the notes to the cash flow statement so that the disclosures are in accordance with the requirements of the SORP.	High	Notes amended in the final version of the SoA.	2004/05	J. Watkinson Area Manager Finance