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Aberdeen City Council

**Financial Statements Audit Plan
for 2009/10**

External Audit Report No: 2010-02

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Restriction on Use

This report has been prepared in accordance with our responsibilities under International Statements of Auditing and Audit Scotland's Code of Audit Practice for the audit of the financial statements of Aberdeen City Council.

We take this opportunity to remind you that:

- This report has been prepared for the sole use of Aberdeen City Council its Audit and Risk Committee and will be shared with the Accounts Commission and Audit Scotland
- No responsibility is assumed by us to any other person who may choose to rely on it for his or her own purposes
- This report sets out the findings from the specific areas covered by our review as well as our review of internal audit. Our audit does not necessarily disclose every weakness and for this reason the matters referred to in this report may not be the only shortcomings which exist.



1. Executive Summary

Introduction and Background

1. The purpose of this plan is to provide Aberdeen City Council (the Council) and the Finance Team with a clear understanding of our approach to the audit of the financial statements for the year ended 31 March 2010 and to provide an update of our interim audit work to date.
2. This document outlines:
 - the accounts preparation expectations
 - our audit scope and approach
 - interim audit work to date
 - the issues for our year-end audit
3. The Working Papers Requested List (WPRL), which has already been issued to the Corporate Accounting Manager, is an important part of our approach and sets out our understanding regarding the documents the Council has agreed to prepare in order to facilitate our audit.
4. Information has been gathered through discussion with Council officers, including the Corporate Accounting Manager, the Internal Audit Manager and members of the Finance team, review of internal audit reports and files and the financial monitoring reports, and from the assessment of the key financial controls. We have considered planning guidance issued to us by Audit Scotland for 2009/10.
5. Our audit timetable and planned audit outputs were detailed in our **Risk Assessment, Annual Audit Plan and Fee Proposal for 2009/10** (Annual Plan), Report 2010-01 issued on 18 February 2010 and have been agreed with the Council's management and approved by the Audit and Risk Committee.

Overall Conclusion on Interim Work to Date

6. From the interim work carried out to date we are satisfied that we have assessed the level of assurance to be gained from the financial control environment at the Council for producing financial accounts for the year ended 31 March 2010. For the majority of the main financial systems we have assessed either full or substantial assurance. The exception is the Fixed Asset Register which is limited as the main controls are carried out after the year-end. This is subject to reviewing internal audit reports and files that are still in progress and completing the key control testing for the final few months of the year prior to the start of our year-end audit. Full details are included in Section 4.
7. We are pleased to report that for the main systems the majority of key controls appear to be in place. We have however identified some control weaknesses that may impact on our audit approach for the year-end:
 - while the payroll suspense account is reviewed and cleared throughout the year, it is currently only fully reconciled at the year end
 - reconciliations between the Assessor's records and the Council Tax system are currently only carried out at the year end
 - controls over Housing Rents dwellings reconciliations should be improved
8. Recommendations which should help strengthen internal controls are included in an Action Plan at Appendix I, together with further detail of our audit findings. The recommendations have been agreed with senior officers at the Council.



1. Executive Summary

Overall Conclusion on Interim Work to Date (cont'd)

9. We have identified some national and local issues that we have assessed as higher risk for the preparation and audit of the Council's financial statements. These are set out in Tables 5 and 6 in Section 5.
10. We have followed the Council's progress in implementing the actions agreed within our 2008/09 Financial Statements Audit Plan (FSAP) and our 2007/08 HB/ CTB Management Letter and included updates at Appendix II and III. We are pleased to note that all but two of the recommendations made have been fully implemented. We will follow up progress made with these final actions during our year-end audit.

Acknowledgements

11. We would like to take this opportunity to thank all the officers within the Council who assisted us in gathering information for this plan.



2. Accounts Preparation

Introduction

12. Our audit of the Council's financial statements, and the agreed audit fee are based on the timely receipt of disclosure compliant accounts and supporting working papers prepared to an acceptable professional standard; the availability of key officers responsible for the preparation of the financial papers; and access to further information or explanations necessary to support the financial statements and the significant areas of judgement applied in the preparation of the financial statements.

Format of the Accounts

13. The financial statements should be prepared in accordance with the "Code of Practice on Local Authority Accounting in the United Kingdom 2009 - A Statement of Recommended Practice" (SORP), which is issued by the CIPFA/LASAAC Joint Committee.
14. The SORP is reviewed and updated annually. The 2009 SORP which applies to the 2009/10 financial statements was issued in August 2009.
15. For 2009/10, the most significant change to the SORP is in respect of the accounting requirements for private finance initiative (PFI) and similar contracts. Accounting treatment for PFI and similar contracts is no longer based on FRS5 but on an interpretation of IFRIC 12 Service Concession Arrangements contained in the Government's Financial Reporting Manual.
16. There are also amendments in respect of accounting for non-domestic rates.

Responsibility for the Preparation of the Accounts

17. The financial statements are an essential part of accounting for the stewardship of resources made available to the Council and reporting its financial performance for the use of those resources. It is the responsibility of the Council, and the Head of Finance as the proper officer, to prepare the financial statements in accordance with statutory timescales and all relevant regulatory requirements. This means:
 - the Council has to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs and to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
 - the proper officer is responsible for the preparation of the financial statements and ensuring that they are in accordance with proper practices as set out in the SORP; ensuring that suitable accounting policies have been selected and applied consistently; judgements and estimates made are reasonable and prudent; proper accounting records have been maintained and that reasonable steps have been taken to prevent and detect fraud and other irregularities
18. A series of meetings with the Council's officers has been held to consider preparation of the financial statements and agree our requirements as set out in the WPRL. This document has been updated to take account of feedback from the Corporate Accounting Manager and his team to include the delegated responsible officers for each area.
19. Officers have confirmed that "year-end close down procedures" were issued to appropriate staff before 31 March 2010.



2. Accounts Preparation

Responsibility for the Preparation of the Accounts (cont'd)

20. The main contacts for our audit team in the course of the financial statements audit are the Corporate Accounting Manager and the Senior Accountant for operational issues. Any significant audit issues arising during the course of the year-end audit will also be notified to the Head of Finance, who has overall responsibility for the preparation and co-ordination of the financial statements.

21. We have made enquiries about the Council's processes for the preparation of the Annual Governance Statement and plan to review the process and draft statement during the year-end audit. Any significant weaknesses in controls identified during our year-end audit will be brought to the attention of management for inclusion in the statement.

3. Audit Scope and Approach

Scope of the Audit

22. Our responsibilities as independent auditors primarily derive from the Local Government (Scotland) Act 1973 and are summarised in Audit Scotland's Code of Audit Practice (the Code) approved by the Accounts Commission for Scotland, and guided by the auditing profession's auditing standards and ethical guidance. These responsibilities are to:
- audit the financial statements and place a certificate (independent auditors' report/opinion) on the statements stating that the audit has been conducted in accordance with part VII of the Act
 - satisfy ourselves that the financial statements have been prepared in accordance with all applicable statutory requirements
 - satisfy ourselves that proper accounting practices have been observed in the preparation of the financial statements
23. In forming our opinion for inclusion in our audit certificate we are required to report on the following:
- whether the financial statements give a true and fair view of the financial position of the Council as at 31 March 2010 and its income and expenditure for the year then ended
 - if the Foreword is not consistent with the financial statements
 - if the Council has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit
24. We review whether the Annual Governance Statement complies with the SORP and report if it does not comply or if it is misleading or inconsistent with other information we are aware of from our audit. We are not required to consider whether the statement covers all risks and controls, or form an opinion on the effectiveness of the Council's corporate governance procedures or its risk and control procedures.
25. In addition, we must consider the other information published with the financial statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Audit Approach

26. Our overall audit approach was set out in our Annual Plan. In summary, this approach is based on our annual integrated assessment of risks across our responsibilities detailed in the Code in relation to the finance (including our audit certificate on the financial statements), governance and performance aspects of the wider audit model. This approach includes:
- understanding the business of the Council and risk exposures which could impact on the financial statements
 - assessing the key internal controls for the main financial systems and considering how risk exposure in the systems could affect the financial statements

3. Audit Scope and Approach

Audit Approach (Cont'd)

26. Continued
- identifying major transaction streams, balances and areas of estimation, understanding how the Council will include these in the financial statements, and developing audit tests for these
 - assessing the risk of material misstatement in financial statements, in conjunction with our evaluation of inherent risk and control environment risk as part of our integrated risk assessment approach
 - determining the nature, timing and extent of our audit work programme to provide us with sufficient appropriate evidence as to whether the financial statements are free from material misstatement
27. Through this approach, we have also considered and documented the sources of assurance which will allow us to make best use of our resources and focus testing on higher risk areas during the audit of the financial statements. The main areas of assurance for the audit come from planned management action, internal audit coverage and reliance on systems of internal control. Management action being relied on for 2009/10 includes:
- comprehensive year-end close down procedures and timetable issued to relevant staff
 - clear responsibilities for the production of the accounts and supporting working papers
 - the delivery of unaudited accounts to agreed timescales with an appropriate working paper package and completed WPRL
 - identification of other bodies/entities and the appraisal of their materiality for inclusion in group accounts
 - completion of key elements of the internal audit programme for 2009/10
28. The audit of the financial statements is completed over three stages. The first stage was carried out between November 2009 and February 2010 as part of our “understanding the business” review, which fed into the integrated risk assessment approach. The specific output delivered as a result of this first stage was our Annual Plan.
29. The second stage was planned to be carried out over the period from March to June 2010. This includes our financial control evaluation work and audit testing of the key controls for the main financial systems we plan to rely on for our financial statements audit, and our review of the Council’s financial monitoring reports available prior to our year-end audit commencing.
30. At the time of this report, we have considered the results of our financial control evaluation work and the provision of internal audit services. The outcome of this evaluation is set out in Section 4. We will review the internal audit files and update our evaluation to take account of the results of their work. On other areas where internal audit has yet to formally report their findings and where we have still to review their files we will update our evaluation to take account of their findings. This further evaluation will be considered in the context of its impact on our financial statements audit.



3. Audit Scope and Approach

Audit Approach (Cont'd)

31. The third and final stage will be carried out during July to October 2010. We will focus our year-end audit on the significant risks and audit objectives for disclosure and significant areas of judgement included in the financial statements.

Materiality

32. Materiality is one of the fundamental accounting principles that should be complied with in preparing an authority's accounts. The SORP states that "Materiality is the final test of what information should be given in a particular set of financial statements...., materiality is a threshold quality ensuring that the information is of such significance as to justify its inclusion in the financial statements. An item of information is material to the financial statements if its misstatement or omission might reasonably be expected to influence assessments of the authority's stewardship, economic decisions, or comparisons with other entities, based on those financial statements. If there are two or more similar items the materiality of the items in aggregate, as well as of items individually, needs to be considered."
33. We are required to consider materiality and its relationship with audit risk when planning the nature, timing and extent of our audit and conducting our audit programme.
34. Specifically, with regard to the financial statements, we assess the materiality of uncorrected errors and misstatements, both individually and collectively. We report all material and significant audit adjustments to the draft accounts and significant control weaknesses identified during our audit to those charged with governance before concluding our year-end audit.
35. We use a base calculation which is derived from the gross expenditure figure in the accounts as a materiality guide for our audit. This is calculated upon receipt of the draft accounts and advised to the Corporate Accounting Manager and his team. Both materiality and significance levels (5% of materiality) are used to list potential audit adjustments arising in the course of the audit and will be reported to those charged with governance. Items below our level of significance will be deemed trivial and may not be reported.

Classes of Transactions, Estimates, Other Account Balances and Disclosures

36. In addition to our calculation of materiality, we use our understanding of the Council to determine which transactions are material and significant to the financial statements.
37. Our audit approach requires that we identify significant classes of transactions, estimates, other account balances and disclosures. We will develop audit objectives relating to each of these items and test the controls over each item based on our assessment of the risk of significant misstatement.
38. We have assessed financial instruments, pension fund (FRS 17) liabilities and other pensions transactions, year-end property revaluations and capital accounting entries, manual accruals, prepayments, and provisions as higher risk and will carry out substantive testing on these accounts during our year-end audit. Transactions in these areas are only processed at the year-end and they are not covered by our financial control evaluation work.

3. Audit Scope and Approach

Fraud and Irregularity

39. It is the Council's responsibility to establish arrangements to prevent and detect fraud and other irregularity, including:
- developing, promoting and monitoring compliance with standing orders and financial regulations
 - implementing strategies to prevent and detect fraud and other irregularity
 - receiving and investigating allegations of breaches of proper standards
40. We are required to consider the arrangements made by management. We will do this in a number of ways:
- our risk-based audit approach will focus on specific areas of high risk and provide a reasonable expectation of detecting misstatements in the annual accounts resulting from fraud or irregularity
 - we will review the Technical Bulletins produced by Audit Scotland with regard to fraud reports in local authorities and ensure that the Council has adequate arrangements in place to prevent similar frauds occurring
 - we will examine the policies, strategies, standing orders and financial regulations issued by the Council to ensure that they deal adequately with fraud and corruption and provide a framework for exercising strong internal control.
41. We are also required to report any fraud above £5,000 to Audit Scotland and have agreed with the Council that we will be informed of any frauds if and when they are identified. We are not aware of any potential frauds occurring during 2009/10 other than those identified through the National Fraud Initiative.

Communication and Reporting

42. We will communicate regularly with officers in preparation for and during our audit of the financial statements. This communication should be two-way, and we encourage officers to have early discussions with us on any issues that may give rise to audit comment at a later date.
43. The Manager on site for the audit of the Financial Statements will be Karlyn Watt and the Audit Director will be Margaret Richardson. Cathie Wyllie is the partner responsible for signing the audit certificate. Issues arising during the audit should be brought to their attention. Contact details were supplied in our Annual Plan.
44. In accordance with International Standards on Auditing (ISA) 260, before issuing our audit certificate we will provide the Head of Finance, and those charged with governance (the Council's Audit & Risk Committee) with a report detailing any material and significant audit adjustments to the draft accounts and listing any unadjusted errors. Any significant control weaknesses and any significant matters which are identified during the course of the audit will also be included in this report, together with a copy of our proposed certificate.



3. Audit Scope and Approach

Communication and Reporting (Cont'd)

45. Due to the timing of the cycle of meetings of the Audit & Risk Committee and the target date of 30 September for completion of the audit, there is a potential difficulty in being able to discuss the ISA 260 report with Members in advance of completion of the audit. We suggest that we meet with the Convener of the Audit & Risk Committee to discuss the report and then circulate the document to all Members of the Committee as part of the agenda papers for the next meeting for their information.
46. We may also produce a separate year-end management letter should there be any technical accounting issues arising during the audit that we feel should be brought to the attention of the Head of Finance and the accountants involved in the year-end accounts process. Our observations and suggested recommendations would be where we believe improvements could be made to either the accounts preparation or audit processes.
47. Finally, at the conclusion of our year-end audit we prepare and submit our annual audit report, the Report to Members and the Controller of Audit, which is the formal report to the Council's Audit & Risk Committee and Full Council about all aspects of our audit for 2009/10.

4. Interim Audit Work

Introduction and Background

48. The Code identifies that 'it is the responsibility of the audited body to conduct its affairs and to put in place proper arrangements to ensure that its financial position is soundly based'. It is our responsibility as auditors to review and examine evidence that is relevant to these arrangements.
49. Our interim audit work as it relates to the financial statements audit included the following elements:
- a review of the provision of internal audit
 - a review of internal audit work to date
 - our financial control evaluation review documenting, testing and assessing the key controls in place for the main financial systems
 - ongoing review of the financial position and budget monitoring reports.

Review of Internal Audit Provision

50. Due to the limited resources available within the Council's Internal Audit function, an external firm was appointed to carry out specific projects within the 2009/10 Audit Plan. For 2010/11, the internal audit provision will be fully outsourced.
51. In accordance with ISA 610, we carried out a review of the Council's framework for the provision of internal audit services. As reported in our Annual Plan, we confirmed that we can continue to place reliance on the work of internal audit for the current year.

Review of Internal Audit Files

52. In our Annual Plan we identified areas in internal audit's work programme for 2009/10 where we would expect to place reliance on their work for the audit of the financial statements. We identified the following files that we would want to feed into our financial control evaluation review:
- Budget management process
 - Financial reporting readiness
 - Bank reconciliations
 - General ledger feeder systems
 - Other general ledger account reconciliations
 - Treasury management
 - Accounts receivable and collections
 - Housing capital expenditure and repairs budgets
 - IT Asset Management
 - IT General Controls
 - CRM/ Parking Fines

4. Interim Audit Work

Review of Internal Audit Files (Cont'd)

53. Internal audit have concluded on their work to date as summarised in Table 1. We have reviewed the working paper files relating to these reviews and concluded that we can rely on their work.

Table 1: Internal Audit Conclusions

Topic	Conclusion
Budget management process	Satisfactory
General ledger feeder systems	Satisfactory
CRM/ Parking Fines	Generally adequate
Treasury Management	Generally satisfactory
Accounts Receivable	Generally satisfactory

54. We have reviewed the weaknesses identified by Internal Audit to date and have concluded that they are unlikely to have a material impact on the financial statements. Where appropriate we have designed specific substantive testing to address identified weaknesses.
55. The other internal audit reviews are in progress and are expected to be reported prior to the start of our year-end work. The reports and working paper files will be reviewed as soon as they are available and we will consider whether any of the findings are likely to have a material impact on the financial statements.
56. The Internal Audit Manager is responsible for preparing an annual assurance statement. Our review of this work will inform our review of the Annual Governance Statement published with the annual accounts.
57. It should be noted that we can rely fully on the work of internal audit without necessarily gaining full assurance on the controls in place. For example internal audit may not have tested the key controls within their review or may conclude that from controls tested the audit results do not provide full assurance that the controls are operating effectively. Where either scenario is reported we will consider the implications for our testing for the year-end audit.
58. We will report the extent of our actual reliance on internal audit's work and the level of assurance gained in our annual report.

Financial Control Evaluation

59. We have carried out a high level review of the key controls for the Council's main financial systems and carried out walkthrough tests to confirm that our understanding of these systems and the control environment is accurate. We have tested key controls up to the point of our review for all systems not tested by internal audit. The systems reviewed were the main Financial Ledger (including budget and actual figures), Payroll, Creditors ledger, Cheque Control, Fixed Assets Register, Non Domestic Rates, Council Tax, Housing Rents and Council Tax and Housing Benefit.
60. We used CIPFA's Hazard Identifiers to aid our documentation of the system and existing controls. Where we identified control weaknesses we have highlighted them on the control sheets. The responsible officers for each area have confirmed the factual accuracy of the documented controls.

4. Interim Audit Work

Financial Control Evaluation (cont'd)

61. Further testing will be carried out at the start of our year-end audit, to confirm that the key controls have continued to operate in the period between our audit visit and the end of the financial year.
62. The evaluation of the Fixed Assets and Capital Accounting was restricted as most of the work in this area is carried out as part of year-end procedures. We therefore plan to carry out detailed testing during our year-end audit.
63. We are pleased to report that for all of the main financial systems reviewed the majority of the expected key controls appear to be in place. The main issues identified during our testing are noted below. Other less significant findings have been discussed with the responsible officer for each area. Recommendations which should help to strengthen internal control are included in the Action Plan at Appendix I, together with further details of our audit findings.
- Payroll - While the payroll suspense account is reviewed and cleared throughout the year, it is currently only fully reconciled at the year-end.
 - Creditors – the control over ensuring evidence of receipt of goods before payment of invoices should be strengthened.
 - Council Tax - Reconciliations between the Assessor's records and the Council Tax system are currently only carried out at the year end. An electronic interface between the two systems should be developed to enable reconciliations to be automatically performed whenever amendments to the Council Tax system are made. We raised this issue in our 2008/09 Action Plan (see Appendix II), however officers have advised that resource issues have prevented this from being implemented. We understand that dialogue has started with the Assessor for implementation in 2010/11.
 - Housing and Council Tax Benefit - Controls over refund payments should be strengthened to ensure that all payments in excess of £1,000 are checked.
 - Non-Domestic Rates - Annual billing for Non-Domestic Rates should be fully reconciled and documented at the time to ensure that the correct number of bills are sent out.
 - Non-Domestic Rates - System information is currently being gathered manually on spreadsheets or handwritten notes. Checking data presented in this manner is time consuming and difficult, and staff resources mean that some records are no longer being maintained. The reporting capabilities of the system need to be reviewed and consideration should be given to reporting tools to allow system information to be extracted relatively quickly.
 - Housing Rents - Controls over rent refunds should be strengthened to ensure that the total of refund approved is reconciled to the total processed in the rent system and the total amount paid through the main accounting system.
 - Housing Rents - All rent account adjustments and transfers input into the rent system should be reviewed by an independent person.
 - Housing Rents - Controls over changes to the rent dwellings masterfile should be improved by requiring two staff to authorise all proposed amendments and independently reconciling all rent dwelling movements to supporting documentation.

4. Interim Audit Work

Financial Control Evaluation (cont'd)

64. From our testing of the HB/ CTB system, we noted that the restructured training team has developed and implemented a new training programme which is identifying and addressing training needs to ensure new and existing staff have both up to date knowledge and progressive training in the different aspects of HB/ CTB. This is highlighted as a good practice point.
65. We have followed up the recommendations made in our **2008/09 Financial Statements Audit Plan**, Report 2009/03 issued on 26 May 2009 and included an update at Appendix II. In relation to Housing and Council Tax Benefit, we have also followed up the recommendations made in our **2007/08 Housing and Council Tax Benefit Subsidy Management Letter**, Report 2009/05 issued on 30 June 2009 and included an update at Appendix III. We are pleased to note that all but two of the recommendations made have been fully implemented. Revised target dates for implementation have been provided for the recommendation relating still to be implemented. We will follow-up progress made with these during our year-end audit.
66. We have identified the key controls upon which we plan to place reliance for our financial statements audit. Where the expected key controls exist and are operating effectively we plan to take assurance from this and restrict our year-end testing.
67. The results from our evaluation have been considered in terms of the impact on the financial statements audit and on our audit opinion. We grade the level of assurance we can take using the following basis:

Table 2: Assurance grading

Assurance Opinion	Assurance Description
Full Assurance	There is a sound system of control designed to achieve the system objectives (this may be subject to completing some control testing in the period up to the year-end).
Substantial Assurance	While there is a basically sound system there are some weaknesses that put some system objectives at risk
Limited Assurance	Weaknesses in the system of controls are such as to put the system objectives at risk or controls only operate at the year-end
No Assurance	Control is generally weak leaving the system open to significant error or abuse

68. Where full or substantial assurance can be taken that the controls are operating effectively throughout the year within each of the main financial systems, we limit our testing at the financial statements audit phase. Where limited or no assurance can be taken on the main financial systems then we expand our detailed testing during the year-end audit.
69. The following table details the level of assurance we expect to take from our overall financial control evaluation of the main financial systems. A small amount of testing has still to be completed, to confirm that the key controls continued to operate for the full year. This work will be carried out at the start of our year-end audit.

4. Interim Audit Work

Financial Control Evaluation (cont'd)

Table 3: Assumed Level of Assurance

Main System	Level of Assurance
Main Financial Ledger	Substantial ³
Budgetary Control	Full ¹
Payroll	Substantial ²
Debtors and Income	Substantial ²
Creditors and procurement	Substantial ²
Cash & Bank	Substantial ³
Treasury Management	Substantial ²
Council Tax	Substantial ²
Non-Domestic Rates	Substantial ²
Housing Rents	Substantial ²
Council Tax and Housing Benefit	Substantial ²
Fixed Asset Register	Limited (see para 62)

¹ No issues identified during our testing of the period April 2009 to January 2010. The level of assurance will be re-considered following completion of control testing for February and March 2010.

² Some weaknesses identified. Recommendations included in Action Plans at Appendix I and II or within Internal Audit reports.

³ The work of Internal Audit has still to be reported. The level of assurance will be re-considered following completion and review of Internal Audit's work.

Reliance on the Council's Controls

70. Management are expected to have a sufficient framework of controls in place such that we are able to rely on the following key controls for our year-end audit; as follows:

Table 4: Reliance on Council's Controls

Main System	Expected Council's Controls
Main Financial Ledger	The final trial balance squares and reconciles to the final ledger prints. An audit trail is provided that tracks the final ledger balances to the key figures in the accounts. Back up is maintained for all significant journal entries and all suspense accounts have been reviewed and cleared at the year-end. All key control accounts (including VAT and Payroll Control accounts) are reviewed on a regular basis. Feeder system interfaces and batch processing are operating properly to ensure complete and accurate update of the ledger on a timely basis.
Budgetary Control	All significant variances and virements from the final approved budgets for the year are fully explained and have been reported to the Council regularly throughout the year. Reconciliation is provided detailing all significant movements and virements from the original to the final approved budget.



4. Interim Audit Work

Main System	Expected Council's Controls
Payroll and Pensions	All changes to the payroll standing data including new starts and leavers during the year have been properly authorised. All payroll payments to staff have been made to bona fide employees of the Council and all deductions have been properly accounted for. Payroll exception reports are regularly monitored. All key payroll and pension accounts codes within the main ledger are regularly monitored and all payroll control and suspense accounts are regularly monitored.
Debtors and Income	All goods and services provided by the Council during the year have been properly authorised and invoiced or accrued by the year-end. All other income due to the Council has been properly accounted for. Cash received has been promptly banked intact and accounted for in the Debtors Control Account or as other income. Controls to ensure both the Debtors and financial ledgers are fully and completely updated on a timely basis. The Debtors Control Account is reconciled regularly with the outstanding Debtor balances. Controls are in place to ensure regular debt monitoring and recovery action. Authorised listing of bad debts written off for the year and full details of provisions made at the year-end.
Creditors and procurement	All goods ordered are properly authorised by the appropriate budget holder, matched with goods delivered and agreed to suppliers invoices prior to payments being authorised. The Council's procurement policies are followed and tendering arrangements in the Council's financial regulations are followed for all significant contracts. All payments in excess of £25,000 are independently checked. Exception reports are periodically reviewed to identify potential duplicate payments. Controls to ensure both the Creditors and financial ledgers are fully and completely updated on a timely basis to ensure all liabilities are recognised. The Creditors Control Account balance is regularly reconciled throughout the year to the outstanding creditor balances.
Treasury Management	All loans funds transactions, including advances, repayments and interest were properly authorised and are supported by the appropriate documentation held by the Treasury Management Team.
Cash & Bank	All of the Council's main bank and cash imprest accounts have been reconciled regularly throughout the year and reviewed by appropriate staff. The final bank reconciliation for the main account has been reconciled to the balance on the bank statements at the year-end and all significant outstanding transactions have been checked to the after date bank statements. All income received is processed and banked timeously in full. The cashing system and the financial and other ledgers are correctly updated. All cheques and BACs runs are properly authorised and accounted for in the correct period.
Non Domestic Rates	All amendments to the property masterfile are supported by Grampian Joint Valuation Board documents. Updated parameters are independently checked to ensure these are correct. Checks are in place over the accuracy and completeness of billing. Refunds are authorised appropriately. Exemptions and reliefs are supported with adequate documentation. Cash received in the cash receipting system is reconciled to cash per the non-domestic rates system. The non-domestic rates system balances are reconciled to the main accounting system balances at year end.



4. Interim Audit Work

Main System	Expected Council's Controls
Council Tax	All amendments to the property masterfile are supported by Grampian Joint Valuation Board documents. Updated parameters are independently checked to ensure these are correct. Checks are in place over the accuracy and completeness of billing. Refunds are authorised appropriately. Exemptions are supported with adequate documentation. Cash received in the cash receipting system is reconciled to cash per the council tax system. The council tax system balances are reconciled to the main accounting system balances at year end.
Housing Rents	All amendments to the property masterfile are independently checked to supporting documentation. Updated rent charges are independently checked to ensure these are correct. Void properties are monitored. Cash received in the cash receipting system is reconciled to cash per the housing rents system. Refunds are authorised and supported with adequate documentation. The housing rents system balances are reconciled to the main accounting system balances at year end.
System Access	Appropriate system access controls are in place for all of the above systems.

Letters of Assurance and Confirmation

71. In accordance with Audit Scotland's guidance we have written to the Treasurer and the External Auditor of Grampian Valuation Joint Board to seek assurances in relation to the valuation services provided by the Board to the Council. To date we have still to receive responses from both; however, we will seek assurance before concluding our review.

Financial Position

General Fund

72. The original 2009/10 budget of £438.736 million included savings totalling £26.625 million. Recent reporting to the Finance and Resources Committee, based on ledger figures at 31 March 2010 has indicated that the Council is projecting an increase in the General Fund of £9.482 million in comparison with a budgeted breakeven position. This is being achieved by one-off savings of approximately £6.3 million through reduced capital financing costs as a result of a reduced capital programme and benefits achieved from rescheduling debt and a £6.099 million saving as a result of a review of past VAT claims. The operational budget cost pressures are currently predicted to exceed the budget by £1.144 million.
73. In taking into account the above projected underspend for the current year, the latest projected uncommitted General Fund balance at 31 March 2010 is £14.149 million, which comprises:

4. Interim Audit Work

Financial Position (cont'd)

	£m
Uncommitted balance at 1 April 2009	8.784
Movement on General Fund balance (see above)	9.482
Revised Uncommitted General Fund Working Balance	18.266
Earmarking of Road Maintenance funding from Transport Scotland	0.117
Release of Equal Pay provisions through Consent to Borrow arrangements already in place	(3.600)
Recommended earmarking of General Fund Balance to Support the Staff Reduction Exercise	7.600
Projected Uncommitted General Fund Work Balance at 31 March 2010	14.149

Housing Revenue Account

74. The Housing Revenue Account projected out-turn position at 28 February 2010 reports a balanced budget, with a potential increase of the capital from current revenue due to the overall favourable position principally the result of reduced capital financing costs.

Housing Capital Programme

75. As at 28 February 2010, the Council reported a projected out-turn position of £52.547 million on the Housing Capital Programme, compared to the approved budget for 2009/10 of £51.747 million. This additional expenditure will be funded from additional Capital from Current Revenue. This is as a result of carry forward of various projects from 2008/09 principally the structural repairs of the multi storey flats.

Non-Housing Capital Programme

76. As at 31 March 2010, the Council reported a projected out-turn position of £65.446 million on the Non-Housing Capital Programme compared to the revised budget of £64.940 million. To ensure that the overall programme remains within the funded level, a further £0.506 million of slippage will require to be identified. Based on information from previous years and the low level of spend to date, the Council anticipate that this level of slippage is achievable, once all end of year transactions are processed.
77. We have considered the impact of the above projected variances against the budgets in determining the higher risk areas that may impact on our financial statements audit. We will review the final position during our year-end audit.
78. We will review the overall movement in the Council's reserves and the final closing balance. We will also monitor the level of uncommitted balances in respect of the Council's policy of maintaining a level of 2.5% to 3% of the revenue budget.

5. Issues for the Year-End Audit

Specific Risk Areas

79. Our Annual Plan highlighted a number of business and audit risk areas some of which may impact upon the financial statements and the audit opinion. For the purposes of the specific year-end planning we have identified some national and local issues that we have assessed as higher risk of impacting on the preparation and audit of the Council's financial statements. These are set out in tables 5 and 6 below.
80. At the start of our year-end audit we will meet with the Corporate Accounting Manager to discuss these issues and any further issues that have arisen during the accounts preparation process, to update our planning.

Table 5: National Issues

Issue	Detail
Accounting for PFI Contracts	Accounting treatment for PFI and similar contracts is no longer based on FRS 5 but on an interpretation of IFRIC 12 Service Concession Arrangements contained in the Government's Financial Reporting Manual. Appropriate disclosures to be made in the financial statements.
FRS17 Pensions Funds Liabilities	The impact of changes to the pension funds' regulations needs to be considered. Ensure disclosures are as required for 2009/10.
Equal Pay and Single Status	Provision and disclosure in the accounts relating to equal pay claims and implementation of the new terms and conditions under single status.
Non Domestic Rates (NDR)	NDR are collected by the Council as an agent on behalf of central government and should be accounted for accordingly.
Significant Trading Operations	Requirement to break even over a rolling three year period.
Whole of Government Accounts	The deadline for completing the audited return has been brought forward to 30 September 2010. Arrangements need to be put in place to ensure that this deadline is achieved.
International Financial Reporting Standards (IFRS)	The Council will need to restate 2009/10 comparative information onto an IFRS basis, and disclose a restated 1 April 2009 IFRS-based balance sheet. From initial discussions, the Council are making progress in preparing for full IFRS implementation.

81. The key message from our 2008/09 management letter was that there was a requirement for greater management of the year-end accounts preparation process; there needed to be a closer scrutiny by management of the draft accounts and associated working papers; and that a clear structure needed to be put in place to ensure that staff have sufficient time and knowledge to plan in advance of the year-end work, prepare the accounts in compliance with the SORP and ensure that there is evidence of a timely review prior to the audit process.

5. Issues for the Year-End Audit

Specific Risk Areas (cont'd)

Table 6: Local Issues

Issue	Detail
Actions from 2008/09 Year-end Management Letter	Actions outstanding from our 2007/08 year-end management letter along with those raised in our 2008/09 letter need to be addressed.
AECC Funding	Changes to the loans and funding arrangements for the AECC, approved by Council in February 2010, need to be fully disclosed in the financial statements.
3Rs Project	Changes to the agreement made during the year, including the restructuring and changes to the Facilities Management provider, need to be fully disclosed in the financial statements.
Capital Funds and other funds and reserves	Must comply with the statutory regulations relating to the use of reserves.
Statement of Total Recognised Gains and Losses (STRGL)	Any 'other' gains / losses to be fully explained and reconciled
Accounts to meet the SORP disclosure requirements in all material aspects.	Early use of CIPFA's Disclosure checklist to ensure compliance.



Appendix I – Action Plan

1. Payroll				
Control Objective: Payroll data is accurately entered into e-financials Key Control: Payroll suspense account is reviewed and cleared monthly				
Observation and Risk	Recommendation	Management Response		
While there was evidence that the payroll suspense account was reviewed throughout the year, formal reconciliations are not being carried out on a monthly basis. The only formal reconciliation, independently signed off by the Payroll Manager, is carried out at the year-end. There is a risk that suspense items are not cleared timeously.	R1 A reconciliation of the Payroll suspense account should be carried out on a monthly basis, and independently signed off by the Payroll Manager. This should be done in a similar format to that prepared for the year-end.	<p>A procedure will be put in place to ensure that the Payroll suspense account is balanced on a monthly basis, at the end of each month, beginning from June 30th. As part of the procedure, once balanced each month, there will be a sign off for the member of staff undertaking the task and another sign-off for the Payroll Manager on the same sheet.</p> <p>To be actioned by: D Cheyne Payroll Manager</p> <p>No later than: 30 June 2010</p>		
		<table border="1"> <tr> <td>Grade</td> <td>B</td> </tr> </table>	Grade	B
Grade	B			



Appendix I – Action Plan

2. Creditors		
Control Objective: Invoices are paid correctly		
Key Control: An invoice requires a delivery note, signed to say that all items have been received and are correct, prior to payment.		
Observation and Risk	Recommendation	Management Response
From a sample of 24 paid invoices selected, we noted 10 invoices had inadequate evidence of the receipt of goods. This included absence of delivery note and absence of annotation of delivery note. There is therefore a risk that invoices are paid incorrectly for goods not received.	R2 Invoices should not be passed for payment without appropriate evidence of the receipt of goods.	<p>The introduction during June/July 2010 of a Centralised Finance Processing Team utilising Electronic Document Management Workflow system (Infosmart) will ensure that invoices cannot be paid without goods having been receipted.</p> <p>Pecos (procurement system for purchase of catalogue and non catalogue supplies and services) and Infosmart have been implemented in EC&S establishments as a pilot project since November 2009. The process within Infosmart has confirmed that it is no longer possible to process payments for supplies and services until the purchases have been receipted</p> <p>This has formed part of the process maps developed and introduced within Infosmart as part of the three way invoice matching process –order / goods receipt / invoice all tying up. This will be in place by the 1st week in August when all services within the Council will be linked to PECOS for ordering and Infosmart for processing of invoices.</p>



Appendix I – Action Plan

2. Creditors (Cont'd)				
Observation and Risk	Recommendation	Management Response		
	R2 (Continued)	<p>In relation to the feeder systems which will not be linked to Infosmart, the Financial Services Manager will issue an instruction to operatives reminding them of the requirement to “goods receipt” orders.</p> <p>To be actioned by: Garry Stevens Financial Services Manager</p> <p>No later than: 1 August 2010</p>		
		<table border="1"><tr><td>Grade</td><td>C</td></tr></table>	Grade	C
Grade	C			



Appendix I – Action Plan

3. Housing Rents				
Control Objective: Rent refunds are valid and appropriately supported with documentation Key Control: Refunds are authorised and supported with adequate documentation				
Observation and Risk	Recommendation	Management Response		
<p>Cash refunds are recorded in a manual cash refunds book, along with the signature of the cashier who made the refund. These refunds are not spot checked to determine whether the refunds are appropriate and are not reconciled to the Rent system to ensure that the correct amount has been included in the individual rent accounts. As a result, cash refunds could be inappropriately given and the incorrect refund amount could be put into the Rent system.</p> <p>Refunds made by cheque and BACS are approved on refund forms. The total of each batch approved is not reconciled to the amount processed into the Rent system or to the amount paid out through the main accounting system. There is a risk that incorrect refund amounts may be paid out or processed onto the rent system.</p>	<p>R3 All authorised refunds should be reconciled to the refunds processed through the rent system and the refund payments made through the main accounting system.</p>	<p>Monthly reconciliations will be carried out between the financial ledger and the rent accounting system.</p> <p>Cash refunds will only be given in emergency situations.</p> <p>To be actioned by: Ken Taylor Corporate Debt/Income Manager</p> <p>No later than: 15 June 2010</p>		
		<table border="1"> <tr> <td>Grade</td> <td>B</td> </tr> </table>	Grade	B
Grade	B			



Appendix I – Action Plan

3. Housing Rents (cont'd)		
Control Objective: Rent adjustments are accurately allocated to individual rent accounts		
Key Control: Adjustments are authorised and supported with adequate documentation		
Observation and Risk	Recommendation	Management Response
Both the Income Management Officer and the Assistant Income Management Officer process requests for transfers and adjustments to rent accounts. Any adjustments made by the Income Management Officer are not independently reviewed. There is a risk that these adjustments may be incorrect unless there is an independent review of these.	R4 All transfers and adjustments to rent accounts processed by one staff member should be authorised by an independent staff member.	Procedures will be updated so that a second authorisation is mandatory. To be actioned by: Ken Taylor Corporate Debt/Income Manager No later than: 15 June 2010
		Grade B



Appendix I – Action Plan

3. Housing Rents (cont'd)				
Control Objective: All applicable Council dwellings have rent charged to them				
Key Control: All amendments to the property masterfile are independently checked to supporting documentation.				
Observation and Risk	Recommendation	Management Response		
<p>If a property is removed from the rent masterfile, for example, as a result of a sale, demolition or conversion, this only requires an e-mail from one staff member in Estates or Legal to the Rent System team. There is a risk that property could be removed from the masterfile in error.</p> <p>There is no reconciliation of movements in dwellings to supporting documentation by someone independent from those in Estates, Legal and the Rent System team. Without this reconciliation there is no check to ensure that no unauthorised changes to the Rent System masterfile are made.</p>	<p>R5 Controls over adjustments to the rent masterfile should be strengthened by ensuring that all requested adjustments are proposed by one staff member and approved by a more senior staff member. A reconciliation of movements in dwelling stock to supporting documentation should also be undertaken by someone independent of Estates, Legal and the Rent System team.</p>	<p>Following clarification of the audit findings and recommendations the Service is considering how it can achieve the necessary level of control in the process of making changes to the Rent System.</p> <p>To be actioned by: Helen Sherrit Senior Accountant</p> <p>No later than: 30 June 2010</p>		
		<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Grade</td> <td style="width: 50%; text-align: center;">B</td> </tr> </table>	Grade	B
Grade	B			



Appendix I – Action Plan

4. Housing and Council Tax Benefit				
Control Objective: To ensure that the Housing and Council Tax Benefit system is accurate Key Control: There are adequate reviews of refunds before making payment				
Observation and Risk	Recommendation	Management Response		
<p>According to Council procedures, checks of payments should be made for:</p> <ul style="list-style-type: none"> • Payments over £1,000 • 5% of payments in each payment run <p>From our testing, we found no documentary evidence to show that all payments over £1,000 have been checked. There is a risk that large payments could be processed incorrectly.</p>	<p>R6 Schedules should be annotated to show that checks have been performed on all payments in excess of £1,000.</p> <p>Auditors comment: Action was taken to instruct all staff on this point at the time of the audit.</p>	<p>Procedures have been reinforced to staff.</p> <p>To be actioned by: Helen Moir Senior Processing Officer</p> <p>No later than: Now in operation</p>		
		<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Grade</td> <td style="width: 50%; text-align: center;">B</td> </tr> </table>	Grade	B
Grade	B			



Appendix I – Action Plan

5. Non-Domestic Rates				
<p>Control Objective: To ensure that the Non-Domestic Rates (NDR) system is accurate Key Control: There are controls to ensure all NDR payers receive a bill and a sample of bills are checked for correct calculation before sending</p>				
Observation and Risk	Recommendation	Management Response		
Annual billing was not fully reconciled. There is therefore a risk that the correct number of bills may not be sent out.	R7 Annual billing should be fully reconciled and documented at the time. This should also be signed off by an independent person.	<p>Procedures will be updated to include sign off by independent person.</p> <p>To be actioned by: Ken Taylor Corporate Debt/Income Manager</p> <p>No later than: 11 June 2010</p>		
		<table border="1"> <tr> <td>Grade</td> <td>B</td> </tr> </table>	Grade	B
Grade	B			
System information is being gathered manually on spreadsheets or handwritten notes. Staff resources to maintain records this way are no longer available. Additionally, checking data presented in this manner is time consuming and difficult.	R8 Reporting training on the Northgate system should be carried out to identify useful reports which staff are currently unaware of. Consideration should also be given to accessing a reporting tool to allow staff to extract such data as may be required to verify accuracy of the system and amendments made during the year.	<p>The supplier will be contacted to determine whether the necessary reports can be provided.</p> <p>To be actioned by: Ken Taylor Corporate Debt/Income Manager</p> <p>No later than: 30 June 2010</p>		
		<table border="1"> <tr> <td>Grade</td> <td>B</td> </tr> </table>	Grade	B
Grade	B			



Appendix I – Action Plan

The priority ranking helps management assess the significance of the issues raised and prioritise the action required to address them. The ranking structure is summarised as follows:

Ranking	Definition
A	Fundamental issues which require the urgent consideration of senior management.
B	Significant matters which require the attention of line management.
C	Less significant matters, which do not require urgent attention but which should be followed up within a reasonable timescale.



Appendix II – Follow-up 2008/09 Action Plan

1. Creditors		
Recommendation	Management Response	Update at May 2010
<p>R1 Exception reports identifying potential duplicate payments should be reviewed on a regular basis, and actions followed up timeously.</p>	<p>Agreed. A review of potential duplicate payments for the past 4 years to end of March 2009 is currently being undertaken, and some potential duplicates have been identified, and are now being investigated, and if appropriate recovered. The numbers identified for the period in question, are below the average identified within other Councils of a similar size where this type of work has been undertaken</p> <p>The Creditors Team now have software available to continue monthly investigations and identify potential duplicate payments. This is timetabled into the monthly list of actions to be undertaken, and will be reviewed at future operational team monthly meetings.</p> <p>It is hoped that eventually prior to every daily payment run, investigations will take place to identify possible duplicate payments prior to the payment being processed and issued via Cheque or BACS, thus eliminating the additional work required to recover the payments from the supplier.</p> <p>To be actioned by: Financial Services Manager No later than: Now in operation.</p>	<p>A review was carried out by an external consultant, covering the period April 2003 to March 2009, and identified £75,796 (19 items) to be recovered. This represents a level of processing accuracy within Accounts Payable of 99.99%.</p> <p>A further review is planned for later in 2010.</p>
	Grade	

Fully Implemented



Appendix II – Follow-up 2008/09 Action Plan

2. Council Tax		
Recommendation	Management Response	Update at May 2010
R2 The completion of an end date and/ or review date should be mandatory in the case of time limited exemptions.	For time limited exemptions that do not automatically cease, procedures will be updated to ensure an end date or review date is input. To be actioned by: Wayne Connell No later than: 22 May 2009	Procedures updated
	Grade	B
R3 All adjustments should be adequately explained	Any future adjustments in this category will have a full audit trail To be actioned by: Ken Taylor No later than: 15 May 2009	ACC overpayments have been and will be refunded so there will be no consolidation in future.
	Grade	B



Appendix II – Follow-up 2008/09 Action Plan

2. Council Tax (Cont'd)			
Recommendation	Management Response		Update at May 2010
R4 An electronic interface between the Assessor's system and the Council Tax system should be developed and implemented.	It has been agreed with the Assessor to commence this work in June/July 2009. To be actioned by: Ken Taylor No later than: 17 July 2009		Resource issues prevented this happening in time but dialogue has started with the Assessor for implementation in 2010/11. The Assessor's IT representative has retired so the process has been delayed.
	Grade	B	Not yet implemented – Revised Completion Date – 31 Dec 2010
R5 Regular reconciliations and clearance of suspense accounts should be programmed and implemented.	A full resource compliment means that this task will now be carried out at least weekly. To be actioned by: Ken Taylor No later than: 29 May 2009		Resources diverted at times due to other priorities but action plan to clear by 31/03/10
	Grade	B	Partially Implemented – balance of £39k held in suspense to be investigated during 2010/11.



Appendix II – Follow-up 2008/09 Action Plan

3. Housing Benefit/ Council Tax Benefit		
Recommendation	Management Response	Update at May 2010
R6 Staff should ensure that all quality checks are undertaken on a regular basis and must not be put off more than once unless due to absence.	A planned restructure will ensure that quality checks are undertaken on a regular basis but in the meantime controls will be introduced to ensure checks are not put off more than once. To be actioned by: Wayne Connell No later than: 29 May 2009	Controls introduced. Restructure approved by Committee 10/12/09 and the Job Matching process will commence shortly. <i>Fully Implemented</i>
	Grade	



Appendix III – Follow-up 2007/08 HB/ CTB Management Letter

Recommendation	Management Response	Update May 2010
<p>R1 Enhance the level of analytical review undertaken and ensure that all analytical review comments are updated each year.</p>	<p>Agreed. Please provide copy of Audit Scotland Spreadsheet.</p> <p>To be actioned by: Ian Sutherland</p> <p>No later than: 30/06/09</p>	<p>Audit Scotland Year on Year analysis spreadsheet has now been received and will be used for the 09/10 audit.</p> <p><i>Fully Implemented</i></p>
<p>R2 Review the system for reclassifying cases which are incorrectly included within the deregulated registered social landlord cell. This should include obtaining formal confirmation from landlords that their accommodation meets the Old Scheme requirements where applicable and having an independent review of the calculated deregulated cell adjustments for accuracy and completeness.</p>	<p>The onus is on the LA to make a judgement as to classification based on all the facts including relevant confirmation from landlords. Any cell adjustment is already agreed with senior Processing staff and a review of the original classification undertaken. A further independent review of the cell adjustment is not deemed necessary.</p> <p>To be actioned by: Ian Sutherland</p> <p>No later than: 31/05/09</p>	<p>Before being classed as a de-regulated registered social landlord the RSL register and Scottish Charity Registers are checked to ensure there is an entry for the landlord.</p> <p>The RSL/Rent Officer issue was raised by DWP in July 2008 pertaining to the 2007/08 audit and all affected cases were re-classified for 2007/08 and 2008/09. Subsidy adjustments were made to the auditor's satisfaction. Further guidance was issued to staff relating to Rent Referrals.</p> <p><i>Fully Implemented</i></p>



Appendix III – Follow-up 2007/08 HB/ CTB Management Letter

Recommendation	Management Response	Update May 2010
<p>R3 Reiterate to staff the need for accuracy. Where specific input errors were noted, such as with Child Tax Credits and Working Tax credits, provide extra training for staff. Checks should also be undertaken to ensure staff are correctly processing any new tax credit claims.</p>	<p>Agreed and already completed. Further guidance relating to Tax Credits claims in particular has already been issued to staff. Checking is ongoing.</p> <p>To be actioned by: Helen Moir</p> <p>No later than: 31/05/09</p>	<p>Guidance was given to staff on these areas at their team briefings. Robohelp was updated and old guidance deleted. Tax Credit information on Robohelp was last updated in November 2009. In addition reports were run in February 2009 and February 2010 listing all cases where WTC and CTC were in payment. Checks were carried out to ensure that these cases were updated to reflect the April '09 and April '10 figures.</p> <p>Fully Implemented</p>
<p>R4 A sample of 2008/09 new claims and change of circumstances PI calculations should be recalculated to provide assurance that the published PI is materially correct. We suggest that a sample of 40 would be an appropriate initial sample, with further testing being undertaken if considered necessary.</p> <p>For any errors noted in the sample above these should be reviewed to determine the reasons for the errors and identify ways that these errors can be avoided. Staff should then be trained so they avoid creating such errors.</p>	<p>We are unable to check 2008/09 PI's as these have already been submitted. However, User Performance Statistics prints are given to Processing Team Leaders on a daily basis for checking New Claims and Change of Circumstances PI's.</p> <p>To be actioned by: Helen Moir</p> <p>No later than: 30/06/09</p>	<p>Team Leaders receive and check User Performance Statistical prints on a daily basis. Due to volumes these prints are not kept however, examples can be provided if required.</p> <p>Fully Implemented</p>



Appendix IV - Acronyms

AECC	Aberdeen Exhibition and Conference Centre	PFI	Private Finance Initiative
ACC	Aberdeen City Council	RSL	Registered Social Landlord
BACS	Bankers' Automated Clearing System	SORP	Statement of Recommended Practice
CIPFA	Chartered Institute of Public Finance and Accountancy	STRGL	Statement of Total Recognised Gains and Losses
CRM	Customer Relations Management	VAT	Value Added Tax
DWP	Department of Work and Pensions	WPRL	Working Papers Requested List
FRS	Financial Reporting Standards		
FSAP	Financial Statements Audit Plan		
HB/ CTB	Housing Benefit/ Council Tax Benefit		
HR	Human Resources		
IFRIC	International Financial Reporting Interpretations Committee		
IFRS	International Financial Reporting Standards		
ISA	International Standards on Auditing		
IT	Information Technology		
LA	Local Authority		
LASAAC	Local Authority (Scotland) Accounts Advisory Committee		
NDR	Non Domestic Rates		