



WALES AUDIT OFFICE
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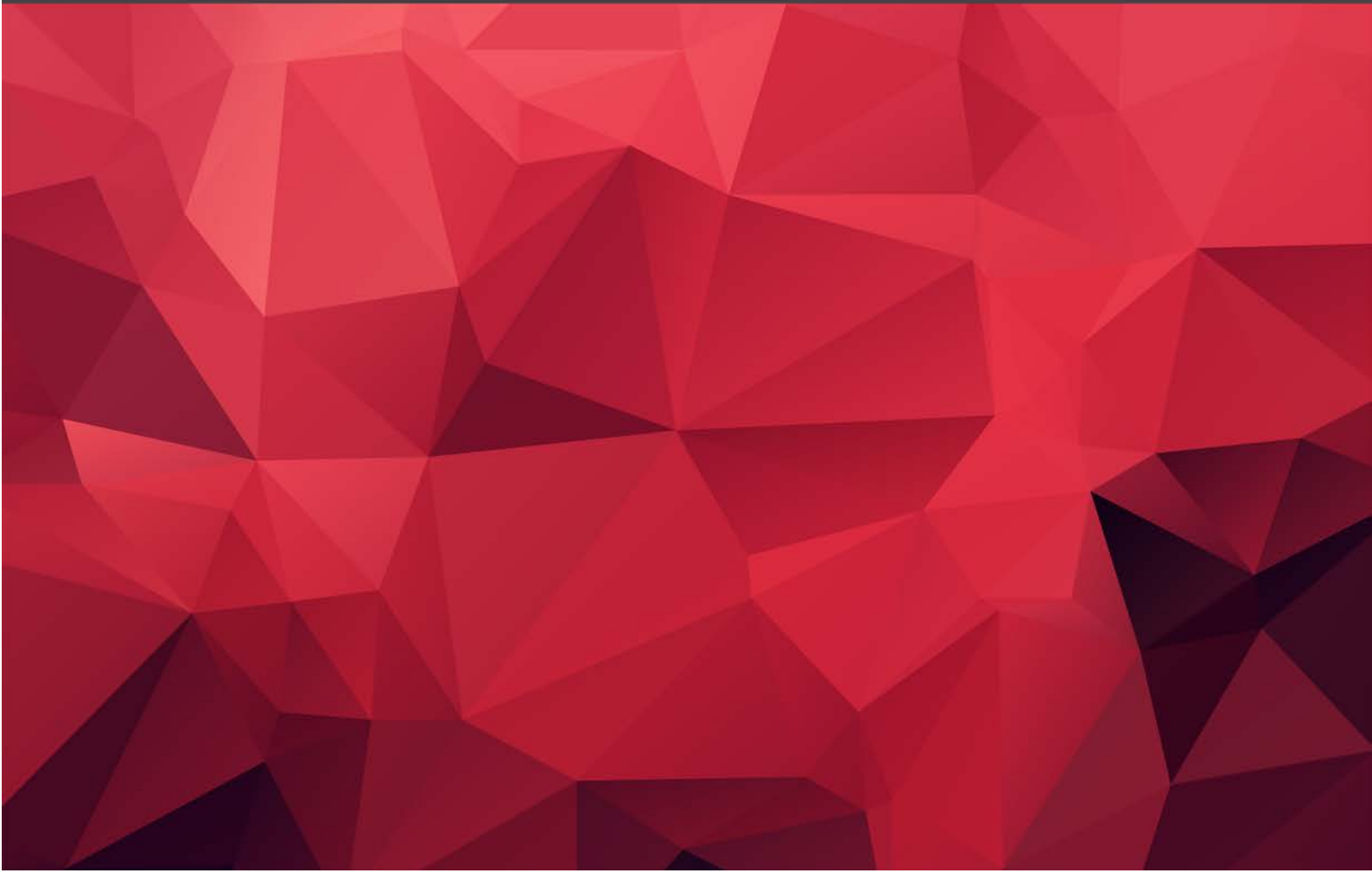
Archwilydd Cyffredinol Cymru
Auditor General for Wales

Final Accounts Audit Deliverables – **Monmouthshire County Council**

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Summary

Why we need this document

- 1 The Auditor General for Wales (Auditor General) is required to give an opinion on the financial statements of Monmouth County Council (the Council). The Accounts and Audit (Wales) Regulations require the Council to prepare accounts and have them certified by the Responsible Financial Officer (RFO) by 30 June and to approve these by 30 September following the year of accounts.
- 2 As discussed and agreed with the Council it is our intention to substantially complete our audit of the financial statements by the end of August 2017.

What this document will do

- 3 This document sets out in detail the deliverables agreed between us and the Council that are necessary to meet to the accounts preparation and audit deadlines. This schedule is not intended to be an exhaustive list and we may request further supporting documentation.
- 4 To ensure the accounts deadline is met, the deliverables should be subject to a quality review before presentation for audit.
- 5 Deliverables are set out in detail in the appendices and include:
 - working papers and information to be provided to the auditors by the Council; and
 - Council contact names and responsibilities.
- 6 Progress against these deliverables will be monitored and recorded by both the Audit Team and the Finance Team on an ongoing basis to ensure that problems are identified and resolved in a timely manner and the completion/audit deadline is met.

How we need the information

- 7 The supporting working papers and information should be referenced so that it mirrors the financial statements – eg supporting working papers and information for Property Plant and Equipment should be placed in a folder titled 'Note 12 – Property Plant and Equipment', with sub-folders where appropriate (eg additions).
- 8 Supporting working papers and other information should be provided electronically whenever possible. Where the supporting working papers are spreadsheets, it is important that it is provided electronically in a format which enables the auditor to read any formulas used in calculations. All deliverables should be available for audit inspection by 1 July 2017.

- 9 To facilitate quick and orderly transfer of information, a shared area should be created on the Council's IT network, where supporting working papers and information can be placed by the Council and accessed by the auditors. Providing the audit team with read-only access to the Council's financial ledger and other key systems will also aid the audit process.

Appendix 1

General

Exhibit 1: General deliverables

Ref	Deliverable	Responsible officer
General information		
1.	Draft Statement of Accounts including Annual Governance Statement and Notes.	Jonathan Davies
2.	General ledger trial balance with analysis/mapping to provide a clear audit trail to support figures in financial statements (Comprehensive Income and Expenditure, Balance Sheet and Notes).	Jonathan Davies
3.	A completed Local Authority Code of Accounting Practice disclosure checklist.	Will not be completed
Explanatory Foreword		
4.	Working papers to support any figures outlined in the foreword and a reconciliation of these figures to the cost of services in the Comprehensive Income and Expenditure Statement (CIES) and associated notes.	Jonathan Davies
Accounting policies		
5.	Details of any work undertaken during the year to review accounting policies in accordance with the requirements of the Code of Practice on Local Authority Accounting, and a detailed explanation of any subsequent changes in accounting policy.	Jonathan Davies
Annual Governance Statement		
6.	Copy of the Chief Internal Auditor's Annual Report	Andrew Wathan

Ref	Deliverable	Responsible officer
Other		
7.	A report from the general ledger that lists of all journals with debit and credit transactions over £2 million processed during and after year end (during closedown) with explanations as to what they relate to, ie journals processed in periods 12, 13 and any later period.	Dave Jarrett
8.	Period 12 closedown documentation, including confirmation of suspense and holding account balances at 31 March 2017.	Jonathan Davies
9.	Details of any Prior Period Adjustments.	Jonathan Davies
10.	List of Key Contacts per account area, together with a schedule of periods of annual leave (or other lengthy periods of unavailability).	Jonathan Davies
11.	Working papers to support audit fees included in the note.	Jonathan Davies
12.	Details of the procedures undertaken by the Authority to identify potential post balance sheet events. In addition we will require documentation to support any post balance sheet events disclosed.	Jonathan Davies
13.	Details of the procedures undertaken by the Authority to identify any potential year end provisions, contingent liabilities and commitments (eg evidence of internal discussion with Directors/legal department/external legal advisor).	Dave Jarrett

Appendix 2

Comprehensive Income and Expenditure Statement

Exhibit 2: CIES deliverables

Ref	Deliverable	Responsible officer
1.	<p>Cost of services</p> <ul style="list-style-type: none"> • Provide working papers to support the analysis of all income and expenditure lines disclosed in the cost of services – include ledger report and supporting papers for any manual adjustments. • Working papers to support the restated comparatives. • A year on year analytical review of gross income and gross expenditure per the CIES, providing explanations for all movements over £500,000 and 5%, with supporting evidence. • A 'budget to actual' analytical review providing explanations for all variances over £500,000 and 5%. 	Dave Jarrett
2.	<p>Year-end reconciliations between the General Ledger and Feeder Systems:</p> <ul style="list-style-type: none"> • Payroll • Northgate/SX3 System (Council Tax, NNDR, Housing Benefit) • Debtors • Creditors • Cash System <p>Reconciliations to be supported by report from the feeder system confirming amount per the system, report from the general ledger confirming the amount per the general ledger, and explanations for reconciling items. The payroll reconciliation should include the following:</p> <ul style="list-style-type: none"> • summary of gross pay, employers' national insurance, and employers' superannuation for the period, per payroll (broken down by month and week) and per the general ledger; • explanations for any significant variances greater than £500,000; • staff numbers for the current and previous financial year (FTEs); 	Damien Nash

Ref	Deliverable	Responsible officer
	<ul style="list-style-type: none"> • pay percentage increases, and • detail of severance/redundancy payments made. 	
3.	Correspondence confirming annual Precepts and Levies.	Jonathan Davies
4.	A detailed reconciliation between government grants (both capital and revenue) disclosed in the statement of accounts and the ledger. Additionally, documentation to demonstrate the figures included for the significant government grants in the note to the accounts.	Dave Jarrett
5.	Council Tax - a copy of the Statutory Resolution passed by Council to establish the basic amount for a band D property together with a copy of the Council Tax Base report.	Dave Jarrett
6.	Council Tax – analysis of information of the number of houses by each Council tax band for figure for the current financial year and comparative.	Dave Jarrett
7.	Working papers demonstrating that all intra-body balances and recharges have been eliminated.	Dave Jarrett

Appendix 3

Movement in Reserves Statement, Cash Flow Statement and Expenditure & Funding Analysis

Exhibit 3: Deliverables

Ref	Deliverable	Responsible officer
1.	Movement in Reserves Statement Adjustments between Accounting Basis and Funding Basis under Regulations reconciled to supporting notes with each line clearly referenced to supporting evidence.	Lesley Russell
2.	Transfers To/From Earmarked Reserves Authorisation of Transfers to be available for inspection.	Lesley Russell
3.	Cash Flow Statement Detailed breakdown of Cash Flow Statement and supporting note with each line clearly referenced to supporting notes / figures elsewhere in the accounts.	Lesley Russell
4.	Expenditure and Funding Analysis Working papers to support figures outlined in the Expenditure and Funding Analysis.	Dave Jarrett

Appendix 4

Balance Sheet

Exhibit 4: Balance sheet deliverables

Ref	Deliverable	Responsible officer
Balance Sheet		
1.	A year-on-year analytical review of all categories in the Balance Sheet, providing explanations for all movements over £500,000 and 5%, with supporting evidence.	Jonathan Davies
Property Plant and Equipment		
2.	Detailed reconciliation of the Property Plant and Equipment notes to the General Ledger to the FAR.	Lesley Russell
3.	Workings that reconcile the depreciation, impairment and revaluations figures from the CIES, supporting notes and BS totals.	Lesley Russell
4.	Additions <ul style="list-style-type: none"> Schedule of all additions reconciling back to the note. Access to invoices to support all additions. Details of accounting for enhancing and non-enhancing expenditure. 	Lesley Russell
5.	Disposals and Write Offs <ul style="list-style-type: none"> Schedule of all disposals and write offs reconciling back to the note. Details of capital receipts in the year and a reconciliation to disposals. Access to documentation to support all disposals and write offs. 	Lesley Russell
6.	Impairments <ul style="list-style-type: none"> Evidence of impairment review undertaken during the year. Schedule of impairments reconciling to the note and the reason for impairment. 	Lesley Russell

Ref	Deliverable	Responsible officer
7.	Revaluations <ul style="list-style-type: none"> Schedule of Revaluations undertaken during the year and access to Valuer's/Surveyor's report for the revaluations. Analysis of Revaluations (upwards and downwards) and corresponding accounting treatment (charged to CIES/Revaluation Reserve) reconciled to the 'Revaluations' note detailed the level of revaluations undertaken. Confirmation from the valuer that asset values are not materially different from those stated (where assets are not revalued in year). 	Lesley Russell
8.	Depreciation Working paper showing the calculation of depreciation (this may be included on the Fixed Asset Register).	Lesley Russell
9.	Re-classified Assets Schedule of all re-classified assets and the rationale for reclassification.	Lesley Russell
10.	PFI Assets Schedule of all PFI assets included in Property Plant and Equipment reconciled to the note in the accounts.	Lesley Russell
11.	Capital Programme and the Final Outturn including explanations for significant over/under spends and slippage.	Dave Jarrett
Heritage Assets		
12.	Schedule of Heritage Assets and their location. Details of Additions, Disposal, Impairments, Revaluations and Depreciation of Heritage Assets.	Lesley Russell
Investment Properties		
13.	Confirmation that an annual revaluation has been undertaken or where not, evidence that the carrying value is not materially different from the fair value at that date.	Lesley Russell

Ref	Deliverable	Responsible officer
Intangible Assets		
14.	Details of Additions, Disposal, Impairments, Revaluations and Amortisation of Intangible Assets	Lesley Russell
Investments - Long Term and Short Term		
15.	Schedule of investments split between long term and short term reconciled back to the general ledger and the Investments Note(s).	Lesley Russell
16.	Third party evidence to support investment deposits at year-end.	Lesley Russell
17.	Supporting information for Fair Value valuations.	Lesley Russell
Debtors – Long Term and Short Term		
18.	Detailed breakdown of Short Term and Long Term Debtors reconciled to the sub balances disclosed within the Debtors Notes. These should be the original working papers containing the relevant formulas.	Damien Nash
19.	Copy of the year-end control account reconciliation between the debtors/accounts receivable ledger and the general ledger.	Damien Nash
20.	A detailed aged debtor listing, and reconciliation to the debtors figures as per the statement of accounts as at the year end, with a breakdown of invoices by customer, to allow us to select a sample of debtors for confirmation.	Damien Nash
21.	A detailed breakdown of year-end debtors and prepayments supported by associated working papers and reconciled to the general ledger and statement of accounts.	Damien Nash
22.	Agresso reports including: <ul style="list-style-type: none"> • YG16 Prepayments. • YG17 Accrued income • Z050 Debtors control account SD • Z051 Debtors control account SHS 	Damien Nash
23.	List of April (after year-end) bank receipts.	Kevin James

Ref	Deliverable	Responsible officer
24.	Sales invoices raised in March (before year-end) and April and May (after year-end).	Damien Nash
25.	List of sales credit notes raised post year-end.	Damien Nash
26.	Council Tax Arrears reconciliation with supporting detailed reports from Northgate system (SX3 report).	Sue Deacy
27.	Council Tax Arrears impairment calculation.	Sue Deacy
28.	Housing Benefits Overpayment report.	Damien Nash
29.	Housing Benefit Overpayments impairment calculation.	Damien Nash
30.	NNDR (Z040) reconciliation.	Damien Nash
31.	NNDR 3 (Pool control account Z041) reconciliation.	Damien Nash
32.	Corporate Sundry Debtors impairment calculation.	Jonathan Davies
33.	Copy of the year-end VAT reconciliation and VAT return(s).	Damien Nash
34.	Bad Debt Provision – a working paper to support the calculation of the provision for bad and doubtful debts including a copy of the aged debtor listing and a listing of all balances written-off during the year.	Damien Nash
Assets Held for Sale		
35.	<ul style="list-style-type: none"> • Schedule of assets held for sale and confirmation that they meet the criteria of IFRS 5. • Schedule of movements in assets held for sale and supporting documentation for disposals. • Valuer's report confirming valuation of assets held for sale. 	Lesley Russell
Inventories		
36.	A working paper showing a breakdown of the year-end inventory balance by inventory type.	N/A - Disclosure note not completed

Ref	Deliverable	Responsible officer
Cash and Cash Equivalents		
37.	Copy of the year-end bank reconciliation(s) and supporting schedules for un-presented cheques/payments and outstanding lodgements prepared for each separate bank account.	Kevin James
38.	Copy of year-end bank statements for each separate bank account.	Kevin James
39.	A detailed breakdown of the year-end cash and bank balance analysed on an account-by-account basis.	Kevin James
Creditors – Short Term and Long Term		
40.	A detailed breakdown of year-end creditors, accruals and receipts in advance (by category in the accounts) reconciled to the figures in the note(s) in the accounts.	Damien Nash
41.	Copy of the year-end control account reconciliation between the creditor/accounts payable ledger and the general ledger.	Damien Nash
42.	Agresso report including: <ul style="list-style-type: none"> • YG21 Creditors (General Fund). • YG22 Accrued Expenditure (General Fund). • YG23 Deferred Income (General Fund). • Z045 Creditors Control Account. 	Damien Nash
43.	VAT reconciliation for 31 March and February and March VAT returns.	Damien Nash
44.	List of purchase orders raised in March (before year-end) and April (after year-end).	Diane Flynn
45.	Unapplied Commuted Maintenance Sums reconciliation including a breakdown of annual maintenance sums.	Dave Jarrett
46.	Prepaid Council Tax report (per Northgate).	Sue Deacy
47.	List of payments made after year-end (April and May) from the creditor system.	Diane Flynn
48.	Detailed listing of all purchase orders raised in March and April (balances greater than £250,000).	Diane Flynn
49.	List of invoices received before year end, where no payment has been made (unpaid invoices).	Diane Flynn
50.	List of all purchase credit notes received after year-end.	Diane Flynn

Ref	Deliverable	Responsible officer
Borrowings – Short Term and Long Term		
51.	Schedule of borrowings split between long term and short term reconciled back to the general ledger and the Borrowings Note(s).	Lesley Russell
52.	Copies of Loan Agreements/Statements from lenders.	Lesley Russell
53.	Supporting information for Fair Value valuations.	Lesley Russell
Provisions and Contingencies – Short Term and Long Term		
54.	Details of the procedures undertaken by the Council to identify any potential year-end provisions (eg evidence of internal discussions with directors/legal department/external legal advisor).	Dave Jarrett
55.	Detailed breakdown of year-end provisions reconciled to the note.	Dave Jarrett
56.	For each individual provision made an explanation of how the provision satisfies each component of IAS 37, documentation to support the level of provision made and any in-year movements in the level of the provision.	Dave Jarrett
IAS19		
57.	Breakdown of IAS19 costs included in the accounts by Admitted body (JV, JC etc) analysed by funded and unfunded costs.	Lesley Russell
58.	Copies of actuarial valuations for each Pension Scheme.	Lesley Russell
59.	Breakdown of Pension Strain Costs included in the accounts and detailed calculations to support the figures used. Mapping of where the various pension figures from the journals appear in the Notes to the Accounts.	Lesley Russell
Grant Receipts in Advance – Capital and Revenue		
60.	Breakdown of Grant Receipts in Advance split between Capital and Revenue down to individual grant reconciled back the notes.	Dave Jarrett

Ref	Deliverable	Responsible officer
Useable Reserves		
61.	Earmarked Reserves <ul style="list-style-type: none"> • Analysis of reserves, supporting calculations and working papers. • Analysis of movements in balances with explanations for significant variances and static balances. • Reasons why the reserve is held and when it is intended to be used. 	Lesley Russell
62.	Capital Receipts Reserve Supporting documentation for movements in the reserve.	Lesley Russell
Unusable Reserves		
63.	Supporting working papers for movements in each of the unusable reserves.	Jonathan Davies
64.	Details of how the Revaluation Reserve ties into the rest of the accounts.	Lesley Russell
65.	Details of Net Historical Value of PPE.	Lesley Russell

Appendix 5

Other Statements and Notes to the Accounts

Exhibit 5: Deliverables – Other Statements and Notes to the Accounts

Ref	Deliverable	Responsible officer
1.	Supporting evidence for any gains/losses on the disposal of non-current assets.	Lesley Russell
2.	Schedule of interest payable and supporting documentation (eg bank statements).	Lesley Russell
3.	Schedule of interest receivable (bank interest and investment income) and supporting documentation.	Lesley Russell
4.	Actuary report and payroll reports (including the Teachers' Pension Return) to support the disclosures made for Pension Costs.	Lesley Russell
5.	List of all Joint Ventures, JANEs and Joint Operations and supporting documentation for the Council's share of assets, liabilities, income and expenditure.	Dave Jarrett
6.	Copy of Revenue Support Grant letter and remittance advice and copy of NNDR notification letter.	Dave Jarrett
7.	Supporting documentation for the NNDR note, eg WG allocation/remittances.	Damien Nash
8.	Supporting documentation for the Council Tax note including a copy of the VO schedule of alternations.	Sue Deacy
9.	Details of Revenue Expenditure Funded from Capital under Statute.	Dave Jarrett

Ref	Deliverable	Responsible officer
10.	Breakdown of Capital Commitments disclosure, including documentation to support the disclosures (list of contracts and £s etc).	Lesley Russell
11.	Detailed working papers and associated documentation to support the calculation of the MRP adjustment.	Lesley Russell
12.	Reconciliation of the Capital Expenditure and Capital Financing note to other balances in the accounts and supporting documentation, eg funding statements.	Dave Jarrett
13.	Details of contingent liabilities/assets and supporting documentation.	Dave Jarrett
14.	Details of any Financial Guarantees provided by the Council.	Lesley Russell
15.	Analysis and technical assessment to support finance and operating leases.	Lesley Russell
16.	Remuneration disclosure: <ul style="list-style-type: none"> • working paper to support to Remuneration Ratio; • analysis to support the Officer's Remuneration numbers; • working paper to support the Remuneration of Senior Employees; • analysis to support the Exit Packages disclosures; and copy of the pay policy for the relevant year.	Mark Howcroft
17.	Members' Allowances A payroll/purchase ledger report and associated working paper showing the total allowances paid to members during the year: <ul style="list-style-type: none"> • reconciled to the amount disclosed within the statement of accounts; and 	Dave Loder

Ref	Deliverable	Responsible officer
	<ul style="list-style-type: none"> analysed on a member by member basis, and between the basic allowance and any special responsibility allowance. 	
18.	A copy of the committee report and minute detailing the members elected to posts with special responsibility for the relevant year.	Dave Loder
19.	A copy of the committee report and minute detailing the agreed rates for members allowances in the relevant year.	Dave Loder
20.	Supporting documentation for any events after the reporting period.	Jonathan Davies
21.	<p>Related Party Note</p> <ul style="list-style-type: none"> Supporting evidence for Related Party Transactions (if estimates are made the basis of calculation and rationale for these estimates should be provided); note to explain the process undertaken to identified related parties and the associated transactions; and declarations of interest to be available for inspection. 	Dave Jarrett
22.	Where relevant – a copy of the consolidation pack completed by the Authority and submitted to the Welsh Assembly Government.	N/A
23.	Working papers to support the entries in the consolidation pack reconciled and referenced clearly to each entry in the return.	N/A

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