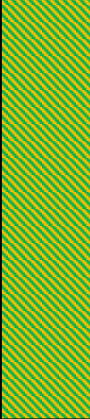
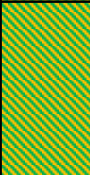


## Closure of Accounts - Risk Analysis - as at 21 March 2016

Priority	Risk	Details	RAG	Current Actions/ Mitigation	Due Date	Contingency Arrangements	Other Comments
1	Payroll control account currently out of balance.	Outstanding data files to be processed against control accounts of around £300m		Unit4 consultant appointed to review and help resolve the issues involved.  Process outstanding data files.	Actioned  29/02/2016	Preparations in place to correct any outstanding issues.	Risk remains once files are processed there will still be significant balances to resolve.
		Payroll service costs misposted to control account ~£100m		Agree cut-off point with Serco for LCC finance to take over responsibility for tackling issue. Begin collecting data from Schools regarding miscodings.	Actioned  31/03/2016	Use summary journals to action the changes required.	Prepare journals for whole year from 1 March 2016.
2	Capital - allocation of capital spend (works orders) to assets and asset classes	£60m+ of capital spend (works orders) still to be allocated to assets		Raised with senior finance staff and further training beginning to finance staff to complete this work.	Actioned	Focus on high value assets in Highways and Schools.	
3	Control Account Reconciliations	Reconciliation processes have not yet been fully implemented		Closely monitor progress made by SERCO.	15/04/2016	Ensure AP/AR/Payroll control accounts reconciled as a minimum by the end of the financial year.	
4	Suspense and holding accounts	Balances not regularly reviewed during the year		Prioritise with SERCO finance staff to ensure balances reviewed for year end	15/04/2016	Clear high value entries and make informed judgements regarding any balance.	
5	Trial Balance Report and Statement of Accounts Checks	Existing checks need full review due to new system. Trial balance not yet available to help assess position		Trial Balance report to be finalised for loading into SoA worksheet as a trial run	31/03/2016	Manually input data to SoA tables. Focus on internal consistency checks for SoA	

Priority	Risk	Details	RAG	Current Actions/ Mitigation	Due Date	Contingency Arrangements	Other Comments
				Review existing internal consistency checks.	31/03/2016		
6	Mapping of Service Expenditure Analysis (SEA) from old year	No old year balances held in Agresso to help ensure that there have been no structural changes to the SEA mapping.		New year SEA produced before year end to enable analytical review	31/03/2016	Map coding via spreadsheet and produce SEA on Agresso codes	2015/16 comparisons not yet usable. Concern that there may be significant changes that would need investigating during closedown.
				Ascertain KPMG's requirements	Actioned		KPMG do not require a full mapping trail from previous year.
7	Purchase card payments not posted	Around £3.3m unposted to end of February		Contingency plan already implemented	24/03/2016	Details to be extracted and sent to card holders for coding	
		No plans to accrue payments after 2/3/16		Discuss whether this is an audit issue with KPMG	Actioned	If necessary, charge accruals to default codes outside management accounts and met temporarily from General Fund	Not a particular concern for KPMG given the value involved
8	Duplicate Payments	Work by internal audit has identified potential duplicate payments. This is likely to be an area of concern for KPMG.		Duplicate payments to 24/11/15 identified and repayment chased with suppliers. Continue to run reports to year end.	31/03/2016	Clear high value entries and look to clear the low value items in the new year.	Existing arrangements should satisfy KPMG, however, will need to detail plans of how this will be avoided in future

Priority	Risk	Details	RAG	Current Actions/ Mitigation	Due Date	Contingency Arrangements	Other Comments
9	Delays in processing journals	The journal upload process has only recently gone live in Agresso and recent journal processing has taken up to a few days to action. Real time journals will be needed during closedown. Need to understand the backlog still with Finance to action		Processing should be quicker once backlog of journals have been processed. Size of databases being increased by SERCO.	Ongoing	Bulk journals to be processed overnight allowing smaller journals to be processed in real time during closedown	Still a concern that the level of journals increases at year end and the length of time it may take to clear the backlog
10	Capital Module	Capital module yet to be used in practice, risk of unforeseen issues		Module has been thoroughly tested. Consultant booked to help resolve any issues 9-11 May	11/05/2016	No alternatives available	

RAG Key:



Serious concern - no guarantee that current actions will fully resolve.

Some concern - Needs monitoring to ensure actions resolve concern.

Some minor residual concern but actions in place to resolve.

Issue resolved - no concerns.

This page is intentionally left blank