

STATEMENT OF ACCOUNTS ACTION PLAN 2013/14

Issue Raised in WAO Report	Flintshire's Response	Actions
<p>Non-current assets were subject to restatement as non-enhancing expenditure had not been impaired.</p>	<p>For many years the procedure in Flintshire has been to assume that any capital expenditure incurred on assets held on the balance sheet on a valuation basis added to the value of the asset on a '£1 of expenditure' adds '£1 to the value' basis.</p> <p>When the asset is re-valued during the 5 year rolling programme, the current valuation and the capital expenditure is replaced with the new valuation.</p> <p>It is accepted that the procedure didn't reflect best practice; however it had been discussed with various auditors over the years and wasn't raised as a material audit issue previously.</p>	<p>A procedure is currently being developed for use in 2013/14 so that expenditure in the capital programme is reviewed on a regular basis. Any potential enhancement of the value of an asset will be considered and a re-valuation undertaken (where necessary) following the completion of the scheme.</p> <p>At the end of the financial year the appropriate accounting treatment can then be applied to enhancing and non enhancing capital expenditure, with enhancing capital expenditure included in the asset register. This will be in place for 2013/14 year end.</p> <p>The Valuation and Estates team are establishing a more formal impairment review that will take place as part of the year end procedures.</p>
<p>Further work is needed to understand the functionality of Technology Forge and embed appropriate working practices.</p>	<p>During 2012/13, which was only the second year of using Technology Forge (the new asset register), great improvements were made from the 2011/12 position. However it is accepted that further improvements are required.</p>	<p>Training sessions have taken place delivered by the software suppliers for Accountants, Valuers and Auditors.</p> <p>Working practices are being developed so that valuation information is input into Technology</p>

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		Forge by joint approach involving Accountants and Valuers which will resolve issues arising during the 2012/13 audit.
<p>There are some general issues relating to the quality of the accounts including;</p> <p>Departures from the requirements of the Code still exist in relation to short term debtors and creditors where the analysis contained with the respective notes is not in accordance with requirements.</p> <p>The accounts continue to be subject to a reasonably high level of adjustment, particularly in relation to non-current assets.</p>	<p>Accepted</p> <p>Accepted</p>	<p>A review of all notes in the Statement of Accounts is underway to ensure compliance with the 2013/14 Code of Practice.</p> <p>The actions planned above in relation to non current assets and technology forge will prevent non current assets from being restated in the future, which along with the adjustments for the post balance sheet event (completion of the liquidation of AD Waste) formed the bulk of the adjustments made in 2012/13.</p>

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<p>Clwyd Pension Fund</p> <p>Uncorrected Misstatement</p> <p>In preparing the draft financial statements, the Authority uses the latest investment valuation reports available to value private equity investments. More up to date valuations become available by the end of the audit. This led to an understatement in the valuation of investments within the accounts. This difference was not corrected in the accounts.</p>	<p>The auditors request valuations directly from the fund managers and receive and confirm those valuations up to the end of the audit. This leaves insufficient time to make the substantial changes required throughout the accounts. The difference is included in an explanatory note in the accounts as agreed with WAO as the difference was not considered material to the accounts.</p>	<p>A full review and report to document the issue and its implications is in the process of being written. Discussion will take place with the WAO with a view to agreeing a process for receipt of information during the course of the audit, in a timely manner that can be incorporated into the final version of the 2013/14 accounts. This will ensure that, where practical, the accounts do not contain this uncorrected misstatement.</p>