

Action Plan – Bridge House Estates and the City’s Trusts

Note: references refer to the recommendation in Moore Stephens Audit Management Report at Annex 3

	Item	Action and Implementation	Responsibility
Bridge House Estates			
1	<p><u>Accounts Review (S6, item 1 on page 16)</u></p> <p>We would recommend bringing forward the full peer review process of BHE accounts to before the first draft is provided for audit.</p> <p>We also recommend that the detailed closedown timetable factors in sufficient full peer review time for BHE accounts prior to the audit stage and, for all accounts, includes feedback milestones from audit.</p>	<p>Bridge House Estates financial statements will be fully peer reviewed prior to the audit stage in future years, commencing with the accounts for 2016/17. This task will be included in the closedown timetable.</p>	<p>Steven Reynolds, Group Accountant.</p>
The City’s Trusts			
2	<p><u>Knowledge Transfer (S6, item 5 on page 18)</u></p> <p>We reiterate our recommendation that appropriate knowledge transfer processes are put in place (in relation to the preparation of accounts of the City of London Almshouses Trust).</p>	<p>During 2015-16 a key member of the team who was responsible for preparing the CoLAT accounts left and the vacancy was filled on a temporary basis by an experienced qualified accountant. A permanent replacement has now been appointed and is currently be trained and mentored to ensure that a repeat of the difficulties experienced during the 2016-17 accounts process are avoided. A permanent file note on the procedures to be followed in the preparation of the accounts will be prepared by 31 December 2016 to further ensure continuity of knowledge.</p>	<p>Mark Jarvis, Head of Finance, Citizens Services</p>

3	<p><u>Grants receivable documentation (S7, 3rd item on page 19)</u></p> <p>The system for recording grants applied for and received is not always kept up to date, increasing the risk that grants received for a specific Open Space are not recognised appropriately.</p>	<p>With immediate effect, the system for recording grants will be reviewed and the issue of non-receipt of grants documentation will be a standing item on the agenda of future Open Spaces Business Senior Management Team meetings, which takes place every other month with the next meeting on 28 November. Should difficulties continue, then issues would be escalated to the Senior Leadership Team.</p>	<p>Mark Jarvis, Head of Finance, Citizens Services</p>
<p>These recommendations apply to all entities</p>			
4	<p><u>Corporate Treasury Scheme of Delegation (S6, item 2 on page 17)</u></p> <p>We recommend that the scheme of delegation for significant and material non-property transactions is amended, requiring that authorisation for such transactions comes from a member of the Corporate Treasury team and the Deputy Chamberlain.</p>	<p>With immediate effect, authorisation for such transactions will come from a member of the Corporate Treasury team and the Deputy Chamberlain.</p>	<p>Kate Limna, Corporate Treasurer</p>
5	<p><u>Inconsistent tenancy management records (S6, item 3 on page 17 and S7, 1st item on page 19)</u></p> <p>We recommend that a regular sample check review is performed for investment properties to ensure that the rental amount recognised on CBIS has been agreed by both parties [Comptroller and City Solicitor and the Chamberlain's Department]and that there is appropriate and consistent</p>	<p>The Chamberlain's Property Services Finance Team will carry out an independent quarterly sample check of invoices raised by the Comptroller and City Solicitor (CCS) and verify the amounts raised to the rental agreements held by the CCS which are filed on the KMX legal document system.</p> <p>The sample check will be completed one month after the end of each quarter, commencing with the current quarter (quarter 3) which ends on 31 December 2016. This sample</p>	<p>Hazel Lerigo, Interim Head of Finance Property Services</p>

	supporting evidence on file encompassing information from across the Corporation.	check will be completed by 31 January 2017.	
6	<p><u>Authorisation of journal entries (S6, item 4 on page 17)</u></p> <p>We recommend that the Corporation review the policy in place regarding journal authorisation and consider either lowering the limit [from £100,000], or introducing a random sample check of journals posted of a lower amount across all funds and entities.</p>	The policy will be reviewed by 31 December 2016.	John James, Interim Deputy Financial Services Director.
7	<p><u>Documentation of formal impairment review (S7, last item on page 19)</u></p> <p>it is good practice to consider whether there have been any indicators of impairment as part of the year end processes and for those considerations to be documented.</p>	The impairment review will be documented in future, commencing with the review for the 2016/17 accounts closedown process.	Dianne Merrifield, Group Accountant (Capital).